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President Mitterrand at a press conference Friday flanked by Jacques Santer, left, head of the European Commission, and Prime Minister Edouard Balladur.

## U.S. and Beijing Go to Brink on Trade Sanctions

### Washington Prepares to Issue Biggest Penalty Ever on Piracy

Compiled by Our Staff From Dispatches  
WASHINGTON — The United States expects to impose its largest trade sanctions ever Saturday against China, the trade representative, Mickey Kantor, said Friday.  
Mr. Kantor said the U.S. government "would not hesitate" to begin sanctions proceedings against China in the absence of a last-minute agreement on intellectual property protection. He said such an agreement was unlikely.  
The two countries are on a collision course over U.S. allegations that Beijing does not do enough to prevent the pirating of American entertainment and computer software.  
Chinese officials have not responded to Mr. Kantor's offer for last-minute talks in Washington. Beijing has blamed the United States for the failure of the trade talks, asserting that it would not be pressured by Washington's demands, which it said went "beyond the scope of intellectual property."  
"We expect that we'll have an announcement tomorrow morning," Mr. Kantor told a CNN interviewer Friday. "If we do take action tomorrow, it will be the largest sanctions in retaliation in American history."  
The United States has threatened to impose 100 percent tariffs on about \$1 billion worth of imports from China if no agreement on protecting copyrights, patents and trademarks from piracy was reached.  
The affected imports would be drawn from an initial list of \$2.8 billion worth of Chinese goods, from electronic products to toys, that was published a month ago.  
But if the tariffs are announced, it will still be several weeks before they take effect.  
The Chinese have vowed to counter any sanctions by curbing U.S. companies' plans to invest in China and by doubling tariffs on American goods.  
Mr. Kantor's office has said that piracy costs U.S. businesses more than \$1 billion a year as Chinese factories churn out ille-

gal reproductions of American-made movies, compact disks, computer software and other products without compensating the American creators.  
Washington has demanded that Beijing shut down the pirate factories and take steps to prevent other piracy.  
"I think the Chinese may be confused," the trade representative said. "President Clinton has made it clear he would enforce U.S. trade laws." He said Japan and other U.S. trading partners as well as a broad coalition of American companies fully backed the administration.  
Mr. Kantor told of a U.S. trade negotiator who saw an advertisement in a Beijing newspaper offering computer software compact disks for less than \$100. "He went," he said. "That CD-ROM had on it \$10,000 worth of software programs he bought for under \$100, all pirated."  
The same advertisement also sought distributors for the disks, Mr. Kantor said. "This is open and notorious. This is nothing short of thievery."  
China has said its reprisals would affect American cosmetics, cigarettes and alcohol as well as products from American chemical and pharmaceutical companies. It has also said it would impede investment plans in China by the Big Three U.S. automakers.  
But Mr. Kantor played down the retaliation threat, saying that because Beijing has refused market access to U.S. businesses, "there's very little that the Chinese can do to effectively harm us economically."  
But China has become an important U.S. market for grain and is the No. 3 buyer of American wheat. The Agriculture Department has been preparing to offer Beijing about 1 million tons of wheat at government-subsidized prices.  
The State Department has delayed the offer, Agriculture Department officials say.  
Most offices in Beijing have been closed this week for the Lunar New Year holiday, and there have been reports that the country's paramount leader, Deng Xiaoping, is no longer fit enough to make policy decisions.  
But Mr. Kantor dismissed such impediments, saying, "That's China's problem, not our problem. We have U.S. workers and their jobs at stake here."  
No officials of China's Ministry of Foreign Trade and Economic Cooperation or the Foreign Affairs Ministry could be reached for comment.  
(Bloomberg, Reuters)

## Feeling French Heat, Santer Eases Quotas Stand

By Barry James  
International Herald Tribune  
PARIS — Jacques Santer, the president of the European Commission, emerged from meetings with the French government Friday and softened his opposition to French-backed quotas for European movies and television programs. But he insisted that quotas were not "a miracle cure."  
Mr. Santer angered French officials last week when he said in an interview with the International Herald Tribune that quotas were not the answer to the problems of the European audiovisual industry. Quotas, he said, were "artificial."

The French government is pushing for a system of minimum quotas for European productions to protect Europe from American imports. One senior cabinet minister had said Thursday that Mr. Santer would have done better to "shut up" on the issue.  
The meeting Friday was the first formal one between the new executive commission that Mr. Santer heads and the French government. France's minister for European affairs, Alain Lamassouze, said earlier in the week that Mr. Santer would be pressed to make his position clear on audiovisual quotas, "without ambiguity."  
Officials said that Mr. Santer and Prime Minister Edouard Balladur had found

some common ground on quotas which France has made a key issue during its six-month rotating presidency of the EU's Council of Ministers.  
At a news conference with Mr. Balladur and President Francois Mitterrand, Mr. Santer did not rule out quotas entirely. "Quotas are not something that should last an eternity," he said, "and it is not in that direction, I think, that we should look for a miracle cure."  
Budget Minister Nicolas Sarkozy affirmed earlier that France had always defended and would continue to defend the idea of quotas for general television networks.

Mr. Santer said that Europe had to go further with what he called "an active policy of stimulus" for the industry.  
It was not normal, he added, for 80 percent of the movies circulating in Europe to be American and only 1 percent of the films released in America to be European.  
"We have good actors, great productions," he said, singling out popular movies like the Danish "Babette's Feast."  
"Why cannot these works circulate freely in other countries? The public is not against them."  
He said there was no going back on a  
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## Holding the Lid on Burundi's Powder Keg Amid Sense of Crisis, Many Worry About Repeat of Rwanda

By Donatella Lorch  
New York Times Service  
NAIROBI — An opposition political party threatened to overthrow the government of Burundi this week, by force if necessary. Rival ethnic groups clashed in gun battles in the suburbs of the capital, Bujumbura. A grenade exploded in a bus on Wednesday, killing at least one person and wounding several others. A two-day general strike has shut down the city.  
Crisis and uncertainty have been common currency in Burundi for more than two years, and diplomats continue to worry whether the Central African nation can avoid the unspeakable violence that befell its northern neighbor, Rwanda. So far it has, but Burundi always seems to be on the brink of disaster.  
Burundi, too, has been torn by ethnic hatred and political upheaval. In 1993, an

estimated 100,000 people were killed in ethnic violence after the assassination of the newly elected Hutu president, Melchior Ndadaye — one of at least four attempted military coups in about two years. Two presidents have been slain. The economy has crumbled, and a recent visit to the country found little evidence of optimism.  
In Bujumbura, where the government enforces a dusk-to-dawn curfew, neighborhoods are almost completely segregated by ethnic group. Reports of violence between Hutu and Tutsi, the same tribal division as in Rwanda, filter in daily. The army is said to be involved in some of the killings. Crime is a major problem.  
Burundi is desperately poor and mainly agricultural. Only an estimated 300,000 of its 6 million people work in business or industry. Officials estimate that one-third of the government is financed by aid mon-

ey from the international community. Seventy percent of adults are illiterate, and the army eats up about 25 percent to 40 percent of the gross national product. Secondary schools are so crowded they turn away students. Diplomats say the first ones denied entrance are Hutu.  
Last summer, after a Tutsi-dominated government took power in Rwanda, about 140,000 Rwandan Tutsi who had been living in Burundi for more than 30 years went home. With them went the commercial backbone — 40 percent of the nursing corps, 50 percent of the taxi drivers, journalists, even the nation's pop singing star, a woman named Amuzuzi.  
But Burundi has avoided the chaos of Rwanda largely because of a tenuous, antagonistic relationship between its Hutu-dominated government and the Tutsi-  
See BURUNDI, Page 5

## New Book Exhumes Tales of Clinton's Past

By Ann Devroy  
Washington Post Service  
WASHINGTON — A new biography of President Bill Clinton sheds additional light on Mr. Clinton's attempts to deal with the political impact of two issues that dogged him throughout his 1992 campaign and into his presidency: extramarital affairs and his successful effort to avoid military service during the Vietnam War.  
In "First in His Class," a Washington Post staff writer, David Maraniss, reveals that Mr. Clinton decided against running for president in 1988 after his chief of staff, Betsey Wright, began listing the names of women with whom he allegedly had had affairs and asked him to tell her the truth about each one.  
The two went over the list twice, she says in the book, to determine which women might talk publicly and which would not; at the end of that exercise, Ms. Wright "suggested that he should not get into the

race" out of deference to his wife and daughter.  
The book recounts conversations Mr. Clinton had with several other associates and advisers in that period about the possible effect that public knowledge of any affairs could have on his candidacy.  
Late Thursday night, Alan Cohen, a lawyer for Ms. Wright, issued a statement on her behalf asserting that she had been misunderstood by Mr. Maraniss.  
In response, the author said that before the book was published, he had read to Ms. Wright all references to her and that she

had responded that he had accurately reported all she had said.  
In the book, Mr. Maraniss writes that as a congressional candidate in 1974, Mr. Clinton was so concerned about the possible repercussions of a letter he had written five years earlier, thanking a colonel in the Reserve Officers' Training Corps for "saving" him from the draft, that he arranged to have what he thought was the original letter destroyed.  
Unbeknownst to Mr. Clinton, a copy  
See CLINTON, Page 5



**DREDGING KOBE** — An empty bus, one of 23 vehicles to fall into Kobe's port in the Jan. 17 quake, being retrieved Friday by a crane.  
**Art**  
A treasure trove of 19th century photographs was auctioned in Paris. Source: Melikian reports.  
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## Kiosk Markets Advance On U.S. Jobs Data

U.S. stock and bond prices soared Friday as investors cheered what normally would not be good news: that unemployment has risen for the first time in a year.  
The unemployment rate rose in January to 5.7 percent, the Labor Department said, as companies hired fewer workers than in any month in the last year.  
The markets saw the report as a sign that rapid growth in the U.S. economy had finally abated.  
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Dow Jones		Trib Index	
Up	57.87	Up	0.27%
Down	3928.84	Down	110.67
The Dollar		Fut. Close	
Doll	1.527	Previous Close	1.518
Pound	1.5835	Previous Close	1.5825
Yen	99.85	Previous Close	99.425
FF	5.293	Previous Close	5.261

## Mitterrand and Yeltsin Exchange Invitations

PARIS (AFP) — President Francois Mitterrand said Friday that he had invited Boris N. Yeltsin to Paris for May 8 commemorations of the Nazi surrender, and that he had been invited to Moscow by the Russian president for further ceremonies the following day. Ceremonies are to start in London on May 7 and continue in Paris and Berlin on May 8 and in Moscow on May 9.

Newsstand Prices	
Andorra	9.00 FF
Antilles	11.20 FF
Comoros	1.40 CFA
Egypt	1.00 E.P. 5000
Gabon	960 CFA
Greece	360 Dr.
Italy	1.120 CFA
Jordan	1.100 J.D.
Lebanon	1.100 L.L.
Luxembourg	60 L.F.
Morocco	12 Dir.
Riots	11.20 FF
Saudi Arabia	9.00 R.
Senegal	960 CFA
Spain	225 PTAS
Tunisia	1.000 Din
Turkey	1.45,000
U.A.E.	8.50 Dirh
U.S. (Eur.)	\$1.10

## At the Airport, People Going Nowhere Find a Home

By Lynette Holloway  
New York Times Service  
NEW YORK — Mary Vierck sat patiently in the TWA terminal at John F. Kennedy International Airport, her eyes freshly made up with powder-blue shadow, her salt-and-pepper hair in a tight bun. Her cart was piled with luggage, including a black vinyl suitcase full of blankets and pillows.  
On a recent early morning, Miss Vierck, 58, was essentially indistinguishable from the travelers around her. But she was not on her way anywhere, not to Phoenix or Chicago or even to Manhattan. Miss Vierck lives at the airport.  
She has lived there for more than four years, waking each morning at daybreak to wash, paint her face and

change her white shirt for her black one, her blue cardigan for the forest-green pullover. She has a favorite chair (facing a snack bar, near the ladies' room), she eats three hot meals a day, and she even gets her mail at the airport chapel, where the chaplain holds her letters.  
"I feel safe here," she said. "The Lord protects me. I don't ever have to worry about a thing. This is my home. This is where I live and it's peaceful."  
Eight years ago, when there were several hundred homeless at the three airports in the New York area, the Port Authority of New York and New Jersey hired social workers to counsel them and, ultimately, move them into transitional housing.  
The program largely succeeded, but a couple of dozen people, like Miss Vierck, simply refused to budge. These

people, the most difficult to reach and often the most fragile, do not want to find another home, social workers say.  
"These are the hard-core homeless who will say no to shelter every time," said Rita Schwartz, director of government and community relations for the Port Authority, which runs the airports.  
About a dozen people now live permanently at Kennedy Airport, settling down at night in the cavernous terminals that never close, sacking out like weary travelers in modular chairs or on the floor.  
As a group, they are different from the homeless people on the streets or in the subways. They are, in effect, invisible, blending in each day with the human

flow.  
"We don't expect any announcement before Saturday and that would only be to tell people the schedule for going home," said a spokesman for the flood crisis center in the town of Nijmegen.  
Another relief official, Herbert Rob. said, "The dikes are still in a dangerous condition and it will be at least a week before tens of thousands of people are allowed home."  
If people try to go home without author-

## Dutch Worry: As Rivers Fall, So Could Dikes

By Alan Cowell  
New York Times Service  
TIEL, Netherlands — With Europe's flooded rivers ebbing rapidly, Dutch authorities settled in Friday for what could be a long wait to determine the answer to a vital question: Will the dikes that largely contained the threatening rise of the waters withstand their equally perilous fall?  
The absence of an easy answer means that many of the more than 200,000 people who evacuated towns like this empty settlement on the Waal River this week could have long waits before they can safely return to their homes.  
The string of towns, farms and villages along the Waal and other rivers in the east and central Netherlands has emerged as the last place in Europe still threatened by the flood waters.  
Belgium lifted a state of emergency in most places Friday. In Germany, for the first time in days, the historic center of Cologne was free of water.  
Even in the southern Netherlands, around the town of Limburg, people began returning home, albeit to face the mess of cleaning away mud that relief officials say may be polluted by heavy metals drawn out of the riverbed by the flood.  
But in this area, home to the flooded Meuse, Waal and Rhine rivers, the more important peril now emerging is that dikes soaked with water will be critically weakened by the rapid drop of the rivers, which are falling by 2.5 centimeters (just under a inch) every hour.  
"We don't expect any announcement before Saturday and that would only be to tell people the schedule for going home," said a spokesman for the flood crisis center in the town of Nijmegen.  
Another relief official, Herbert Rob. said, "The dikes are still in a dangerous condition and it will be at least a week before tens of thousands of people are allowed home."  
If people try to go home without author-

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THE STAFF OF LIFE — An elderly Georgian trying to augment his pension by reselling bread Friday in Tbilisi.

## An 'Anti-Berlusconi' Enters Italy's Political Fray

By Alan Friedman  
International Herald Tribune

ROME — Romano Prodi, the former chairman of Italy's giant IRI state holding company, said Friday that he will enter national politics and challenge former Prime Minister Silvio Berlusconi at the next general election.

The move by Mr. Prodi, 56, immediately raised expectations here that he could soon become the leader of a wide-ranging center-left coalition.

Mr. Prodi is a former Christian Democrat with a following of moderates that includes a variety of small centrist and

Catholic parties as well as many former Communists.

On Friday, Mr. Prodi was being hailed in the Italian media as the only national politician who commands enough support to serve as "the anti-Berlusconi."

Mr. Berlusconi, meanwhile, was demanding elections as soon as possible and was strengthening his ties with the rightist National Alliance.

"My aim," Mr. Prodi said in an interview, "is to offer for the first time in Italian political history a real choice that would lead to alternating governments."

Mr. Prodi made clear that he supports

the current government of Prime Minister Lamberto Dini.

"I'm against holding election until Mr. Dini has performed his important public service for the country, including deficit reduction and pension reform," Mr. Prodi said.

### Dini Meets With Clinton

Mr. Dini and President Bill Clinton held a working luncheon Friday in Washington.

The Italian leader stopped off at the White House on his way to a meeting in Toronto of top financial officials of the Group of Seven industrialized democracies.

## Yeltsin Confronted Defense Chief Over Fraud, Report Says

By Margaret Shapiro  
Washington Post Service

MOSCOW — Defense Minister Pavel S. Grachev, under attack for bungling the Chechen operation, checked himself into a Moscow hospital after President Boris N. Yeltsin confronted him with a document allegedly linking General Grachev to a secret German bank account, the newspaper Sevodnya reported Friday.

General Grachev has been linked to military corruption scandals before, but this is the most serious charge to appear. It comes amid growing calls for his dismissal after the military assault on Chechnya, which is widely unpopular and has resulted in thousands of deaths.

General Grachev's press secretary, Yelena Agapova, denied Friday that the defense minister was involved in any illegal dealings, and said that General Grachev was in the hospital for a routine medical check-up.

She said the German account was a legal one that was used to pay for the maintenance and withdrawal from Germany of Russia's Western Army Group. She called the Sevodnya story "just one more attempt to disinform everybody and blackmail the minister."

The Western Army Group has been the focus of several corruption investigations. Widespread allegations by top officials, allegedly with the knowledge of higher-ups in Moscow, have been reported.

A government investigation of the group was shut down more than two years ago. The investigator's job was eliminated in a reorganization.

General Grachev has denied charges of widespread military corruption.

Mr. Yeltsin, who received the general's military backing in the 1991 coup attempt and the 1993 uprising, has strongly supported him. But last fall, after a newspaper reporter looking into alleged corruption was murdered, Mr. Yeltsin dismissed General Grachev's chosen deputy, a general who had led the Western Army Group.

According to the Sevodnya article, which cited several sources in the presidential administration, Mr. Yeltsin confronted General Grachev on Jan. 25 with a document from the Defense Ministry's finance department showing an unauthorized Deutsche Bank account opened in 1992.

The newspaper said that as much as \$20.6 million had been in the account at times. Sevodnya's sources suggested that the money came from the sale of Warsaw Pact military supplies and fuel that was supposed to have been brought back to Moscow.

The document that Mr. Yeltsin showed General Grachev did not include the general's name or signature, according to the newspaper article, which was written by Sergei Parkhomenko.

General Grachev denied knowing the source of the money in the account and said he did not know why it had been deposited there, Sevodnya's sources said.

The general's attempts to persuade Mr. Yeltsin of his innocence "looked rather hopeless from the very beginning," the newspaper reported. "Grachev felt sick immediately after the incident" and sometime later checked into the hospital.

Previous reports suggested that General Grachev, 48, had checked into the hospital Jan. 30.

His press secretary said she expected that General Grachev would not remain in the hospital for long. "You shouldn't worry about the minister's health," she said.

### Report on Chechnya

Russian officials had no immediate response to an angry condemnation issued in Grozny, Russia, by a European defense organization, which said that Moscow was using excessive force to crush Chechen fighters, Reuters reported Friday.

Air attacks resumed after a lull of several days and many bombs were dropped around Grozny, the Chechen capital.

Officials of the Organization for Security and Cooperation in Europe, in a statement released after a visit of Chechnya, said that the organization's Permanent Council expressed "deep concern over the disproportionate use of force by the Russian armed forces."

Valeri Grishin, acting head of the Russian government center dealing with Chechnya, said officials were studying the text.

## WORLD BRIEFS

### Croat Aide to Visit Belgrade for Talks

SARAJEVO, Bosnia-Herzegovina (Reuters) — Foreign Minister Mate Granic of Croatia will visit Yugoslavia within a month in an effort to spur diplomatic recognition and reduce the threat of renewed war, Croatian government sources said Friday.

Mr. Granic will explore the prospects for peacefully ending the war. He will also discuss the future of the rebel Republic of Serb Krajina on deadlocked over the rebel Republic of Croatia, angered by the failure of the United Nations to restore the rebel republic to Zagreb's control, has ordered UN peacekeepers to leave Croatia by the end of March.

In Bosnia, meanwhile, UN peacekeepers reported an upsurge of fighting in the Muslim enclave of Bihać. Military observers said almost 250 tank, mortar and artillery rounds were fired in a four-hour exchange.

### Kobe Quake Toll Is Revised Upward

KOBE, Japan (AP) — The death toll from the Kobe earthquake increased by 139 to 5,243 Friday after private hospitals reported more victims from Japan's worst natural disaster in 72 years.

The police in Hyogo Prefecture, where Kobe is the largest city, said they were investigating 100 deaths that might also be added to the quake toll. Nobuo Hidaka, spokesman for the prefecture, said the police revised the death toll after surveying private hospitals where some of the injured later died.

The national police said six people were still missing and 26,804 had been injured in the Jan. 17 quake. The government said it planned a lottery to raise funds for reconstruction.

### Gingrich Is Upbeat on Haiti Mission

WASHINGTON (Reuters) — Newt Gingrich, the speaker of the House of Representatives, said Friday that the U.S. armed forces mission in Haiti was "going much better than one might have hoped."

Mr. Gingrich made the remark to reporters at the start of a meeting with the Haitian prime minister, Smarck Michel, who is on a two-day visit to Washington.

Mr. Gingrich said the U.S. operation had "worked much better than many of us thought it would, at least up to now." President Bill Clinton acted unilaterally in Haiti last year to restore President Jean-Bertrand Aristide to power. The peacekeeping operation is due to be handed over to the United Nations.

### Sweden Cancels Iran Official's Visit

STOCKHOLM (AP) — Sweden has canceled its invitation to a senior Iranian official under pressure from neighboring Norway, which is embroiled in a diplomatic fight over Iran's death sentence against the British writer Salman Rushdie.

Iran's deputy foreign minister, Mahmud Vaezi, was scheduled to stop in the Swedish capital on Feb. 7 and 8 during a tour of Scandinavia, after visiting Denmark.

But the Norwegians asked Sweden to block Mr. Vaezi's visit as a protest against Iran's call for the death of the India-born author of "The Satanic Verses." The Danish Foreign Ministry said Mr. Vaezi still planned to visit Copenhagen on Feb. 6 and 7.

### Kenya Warns Against Rebel Group

NAIROBI (Reuters) — Kenya said Friday that a Communist-led guerrilla movement based in a neighboring country was trying to create chaos and overthrow President Daniel arap Moi's government.

An official statement told Kenyans to remain vigilant and promised "decisive" action against people trying to undermine national security. The statement did not name Uganda as the country concerned, but strongly implied it.

The announcement specifically warned against "the subversive designs and activities directed against" the government "and our people by an organization calling itself February Eighteen Movement and its armed wing, February Eighteen Resistance Army."

### 13 Are Killed in Colombia Gun Battle

BOGOTA (Reuters) — Gunmen burst into a Colombian farmhouse where a family was praying for a murdered relative and sprayed mourners with bullets, killing all nine, the police said Friday. The youngest victim was a girl of three.

Minutes later, officers shot and killed three people inside a car used by the killers, the police said. A policeman also died in the gunfire, bringing the total number of victims to 13.

The massacre took place in the coffee-growing province of Caldas, about 210 kilometers (130 miles) northwest of Bogotá. The police chief in Caldas, Jorge Daniel Castro, said he believed the killings stemmed from a feud between families.

### NATO Moves Into Eastern Germany

BERLIN (NYT) — NATO grew a little bit bigger on Friday. With its first exercise on the soil of the former East Germany, the North Atlantic Treaty Organization staked its claim to 41,757 square miles (108,000 square kilometers) of what was enemy territory until just five years ago.

Ambassadors, defense ministers and military chiefs of staff from the 16 NATO member states were on hand to witness the occasion. "Another vestige of the divided Germany is gone," said the NATO secretary-general, Willy Claes, as the maneuvers began. "All of Germany is now protected by the alliance."

Under the treaty that paved the way for German unification in 1990, Russian troops were allowed to remain in Germany's eastern states until the end of 1994. German troops stationed there were excluded from the NATO structure until Jan. 1, 1995.

### For the Record

The Association of South East Asian Nations has decided to admit Vietnam as its seventh member, the Vietnam News Agency reported Friday. The agency, monitored in Tokyo, said the decision was reached at a meeting of ASEAN's Standing Committee on Jan. 26 in Jakarta.

Pavlo Rantanen, 60, a former Finnish diplomat and political independent, was named foreign minister Friday. He is a former director of the telecommunications group Nokia. (AFP)

## TRAVEL UPDATE

### Britain Shelves New Runway Plans

LONDON (AFP) — Options for a third runway at London's Heathrow airport or a second runway at Gatwick "should not be considered further," Transport Secretary Brian Mawhinney said. In a parliamentary written answer, Mr. Mawhinney said that while analysis showed a strong case for additional runway capacity, any future development "must take account of environmental impacts." He said he would be commissioning further studies on the subject from the Civil Aviation Authority.

An earlier report said 3,300 homes would have to be demolished for a third runway at Heathrow and that the village of Charwood would be seriously affected by a new runway at Gatwick.

Two new air links between the United States and Britain as well as a cooperative agreement between airlines to ease travel between the countries have been approved by the U.S. Transportation Department. Delta Air Lines and Virgin Atlantic Airways were given permission to offer shared service between seven U.S. cities and London. New service to England was approved for American Airlines between Chicago and Birmingham, Alabama, and for Tower Air between New York and London's Stansted Airport. (AP)

Flights at Paris's two main airports were again delayed by an average of about half an hour Friday as a firemen's strike went into its second day, airport officials said. At both Orly and Charles de Gaulle airports, only one of the two runways normally open was in service. (Reuters)

A 16th-century palace where the Medici family once entertained and now the Senate debates is being opened up for tourists. Palazzo Madama became the Senate seat in 1870, when Rome became the capital of united Italy. It will open for eight hours the first Saturday of every month for 45-minute guided tours. (AP)

The United States has advised Americans in Bahrain to keep away from large public gatherings and to exercise caution following recent demonstrations in the Gulf emirate. The State Department said American-owned property had been damaged in acts of vandalism. It also said that conservative dress "may be appropriate" during upcoming Ramadan observances. (AFP)

## Ireland Releases 5 IRA Prisoners

### Move Signals Effort to Sustain Truce

By James F. Clarity  
New York Times Service

DUBLIN — In a move designed to encourage the Irish Republican Army to sustain its five-month-old cease-fire in Northern Ireland, the Irish government on Friday released early five of the 30 IRA convicts held in Irish prisons.

Last December, Dublin released nine prisoners early.

Officials and analysts said that the release was directly related to efforts to keep alive the cease-fire, which the IRA began on Sept. 1.

It also was seen as a concession to strengthen the position of Gerry Adams, the president of Sinn Féin, the IRA's political wing. Mr. Adams is credited with having persuaded the IRA military commanders to suspend their 25-year campaign to force Britain to relinquish power in the province of Ulster.

The release came two days after the peace effort was ruffled by a newspaper leak of a British-Irish plan for the talks that outraged unionist leaders in the north. The Protestants charged that the plan envisions joint authority shared by Dublin and London over a new united Ireland, in which the Protestant majority in the north would be subsumed. The London and Dublin governments say the plan is a set of guidelines for discussion at formal peace talks that would include Sinn Féin.

Irish politicians, including Prime Minister John Bruton and Bertie Ahern, the head of opposition in Parliament,

sought to calm the storm, as have Prime Minister John Major of Britain and the leader of the opposition, Tony Blair of the Labor Party.

Of the controversial Irish-British guidelines for full-fledged negotiations, Mr. Bruton said: "There are issues remaining to be settled. But we're not going to get stuck on sticking points. We're going to get over them."

He added that teams of Irish and British officials had held a productive meeting Thursday on the plan.

Mr. Ahern, head of the Fianna Fail party, said that the points now in dispute "will be irrelevant in six months' time, when we will be in formal negotiations." The goal of the Irish-British plan is to bring Sinn Féin to negotiations with the two governments and with other northern parties.

Former Prime Minister Garrett FitzGerald said that much of the problem this week was the result of internal politics in the moderate Ulster Unionist Party, with some politicians seeking to weaken the party leader, James Molyneux.

The prisoners released early had been serving terms that would have expired in two or three years.

Prime Minister Bruton said he hoped Britain would consider early release for some of the 800 IRA prisoners it holds in the North.

In London, a government spokesman said no early releases were being considered.

## Jews Assail Ruling on Nazi 'Myth'

New York Times Service

BONN — A German court stirred outrage among Jewish leaders and opposition politicians on Friday by acquitting two neo-Nazis who used a telephone answering service to describe the Auschwitz death camp as a myth.

The case recalled a court ruling in August, when Günter Deckert, head of the neo-Nazi National Democratic Party, was given a one-year suspended sentence for denying that the Holocaust took place. The Federal Court of Justice later called the sentence too lenient and ordered it reviewed.

In the latest incident, Andre Goertz, 24, and Jens Siefert, 23, were accused of incitement and slandering the memory of the dead after recording a message on an answering machine used to advertise the activities of far-right groups.

"A film by Spielberg wins an Oscar," the message said, referring to the Steven Spielberg movie "Schindler's List." "He stands up against Nazi Germany, others join in, he keeps the Auschwitz myth alive and he gets seven Oscars for film of the year."

The message was recorded in March 1994, but the court ruling came only days after commemorations in Poland of the 50th anniversary of the liberation of Auschwitz by Soviet troops on Jan. 27, 1945.

German law forbids propagation of the "Auschwitz lie," meaning the assertion that the camp — where about 1.5 million people died, most of them Jews — did not exist.

But the opposition Social Democrats said that the ruling, handed down Thursday by a court in Hamburg, had allowed extreme rightists to find an alternative expression to convey the same message.

"It was to be expected that neo-Nazis and other right-wing extremists would come up with new phrases to avoid saying 'Auschwitz lie' but mean the same thing," said Cornelia Sonntag-Wolgast, a Social Democrat legislator.

The government of Chancellor Helmut Kohl made no immediate comment. But the public prosecutor's office in Hamburg said that it would challenge the court's ruling.

"We have to understand that lower-court judges don't have the last word," said Ignatz Bubis, head of the Central Council of German Jews.

He said the expression "Auschwitz myth" gave the impression that the death camp was "a fairy tale."

Michel Friedman, a member of the Central Council, said the court's decision showed that German judges still had difficulty dealing with what he called "mental arsonists who use words as their weapons."

"Rulings like this are wrong," he told a radio interviewer. "They encourage the wrong people, namely those that want to bring inhumanity, discrimination, racism and anti-Semitism to the fore."

## 'Auschwitz' Fashions Draw Jewish Rebuke

By Suzy Menkes  
International Herald Tribune

PARIS — The World Jewish Congress on Friday condemned the display of men's pajamas in a fashion show that it says suggest the uniforms of Auschwitz inmates.

Serge Cwajgenbaum, secretary-general for Europe of the Congress, who viewed the outfits Friday at the Paris headquarters of the Tokyo-based Comme des Garçons, will issue a formal statement Monday, his Paris office said.

The striped clothes, and others bearing prints of identification numbers and marks of military boot prints, were shown on Jan. 27 during the French menswear fall-winter season. Asked then what was the significance of her fashion statement, the designer Rei Kawakubo, 52, replied through an interpreter: "The meaning is there is no meaning."

In a statement issued Friday, Mrs. Kawakubo said the theme of the show was "sleep," hence the pajamas. "The fact that it was so completely misunderstood has caught me by surprise and made me very sad," she said. "Personally, I have always deeply respected the Jewish people and felt close to them in my heart. I have visited Israel in that spirit."

Adrian Joffe, the head of Comme des Garçons in Paris, said the numbers were "a naive expression, like a child drawing on a wall."

Mr. Cwajgenbaum could not be reached for comment after visiting Comme des Garçons. But he said earlier that he was concerned about the "banalization" of images of Jewish suffering and unhappy about the increasing use in fashion of iconography of World War II, including Nazi uniforms, insignia and jackboots.

He said he had also approached Jean-Louis Scherrer, whose haute couture collection in Paris last week featured military uniforms and caps identified with 1930s Berlin.

Mrs. Kawakubo had been criticized for a 1994 collection showing recycled military uniforms, which were seen as a reference to the Bosnian conflict. Karl Lagerfeld apologized last year to Muslims and withdrew and destroyed a dress from a Chanel collection that was embroidered with a script from the Koran.

Also in 1994, the widow of a judge killed by the Mafia condemned Dolce & Gabbana of Milan for citing mafiosi as its inspiration.

## Major Rejects an EU Currency

Reuters

LONDON — Prime Minister John Major said Friday that the European Union could be torn apart by a single European currency and that his government would soon suggest new conditions for joining such a plan.

Mr. Major, whose Conservative Party is in disarray over disagreements on Europe, tried to reassure the "Euro-skeptics" in his party by saying he would resist moves toward "centralism."

"I will tell you my fear. Unless economic circumstances were right, a single currency would tear the European Union apart," Mr. Major told the Conservative Way Forward, a right-wing grouping of party members.

"We cannot accept that sterling should be part of a single currency by 1996 or 1997," he said.

He said he was "convinced that European culture was in danger of being swamped by American imports, but he acknowledged that culture was also one of the areas in which it was most difficult to find consensus in Europe."

Mr. Mitterrand said he backed the government's battle to protect European cultural identity. "I love American culture as you do," he said, "but I also like French culture and sometimes more." Many Europeans, he said, shared his fear

said. "We don't believe anyone could sensibly want to go ahead then, but if they do, we wouldn't be with them. Nor can we accept any prejudgment, one way or the other, about some unknown time in the future."

Mr. Major added: "Nor will we agree to a more prescriptive, centralist Europe, or removal of the nation-state's veto."

Criteria on a single currency agreed to in the Maastricht treaty on closer European union were no longer sufficient, he said, adding that the chancellor of the exchequer, Kenneth Clarke, is to "go into further detail on this next week."

Mr. Major has been trying to appease those in his party who want at most a loose union with Europe. They fear a Brussels bureaucracy that could destroy Britain's sovereignty.

Nine Conservatives were suspended from or quit the parliamentary party in December after a dispute over contributions to the EU budget. Since then, Mr. Major's government has technically been in a minority.

But instead of taking a hard line with the rebels, Mr. Major, once staunchly pro-European, has been adopting a tougher stance toward Brussels, much to the dismay of Foreign Secretary Douglas Hurd and other pro-Europeans in the party.

Mr. Hurd told an audience in Scotland on Friday that Britain had won key battles to influence the bloc in favor of free trade and economic deregulation, and added: "There is a message there for anyone tempted to suggest we have nothing to gain from rolling up our sleeves and engaging in the European debate."

## SANTER: Under French Pressure, Quota Stand Eases

Continued from Page 1

1989 directive called "Television Without Frontiers," which requires broadcasters to ensure that at least half their production is made in Europe. It had made it easier, he said, for European productions to circulate freely within the Union.

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## U.K. Court Keeps Rule On Jailing Immigrants

Reuters

LONDON — An appeals court ruled Friday against a group of Asian immigrants in a landmark case that could have brought freedom to hundreds of asylum seekers now languishing in British jails.

The immigrants, three from India and one from Pakistan,

plan to appeal the decision, which means that foreigners who are seeking asylum in Britain must stay in prison while their cases are considered.

The British government says it can hold or question illegal immigrants until it has weighed their applications, fearing the asylum-seekers might otherwise flee.

Advocates for immigrants, alarmed at what they consider a system weighted against asylum seekers, say it is wrong for those fleeing persecution at home to face detention instead of a safe haven.

After the ruling, the four men surrendered to immigration officials, but were temporarily released pending a decision on their asylum applications.

Claude Moraes, head of the Joint Council for the Welfare of Immigrants, said the ruling was a blow that let stand "this quite brutal policy."

He said 600 to 700 asylum seekers are in British jails awaiting a ruling, whereas other European governments provide accommodations and handle requests promptly, which both cuts their costs and assures humane treatment.

### Collision Avoided

#### At Lisbon Airport

The Associated Press

LISBON — Air-traffic controllers here managed to stop the takeoff of a KLM passenger jet on Friday to avert a possible collision with a military plane.

The Airport and Air Traffic Authority said the Dutch carrier's Airbus 310 was ready to leave for Amsterdam when a Portuguese military Hercules C-130 took off from a nearby runway without receiving clearance.

Officials said controllers were able to halt the Airbus in time to avoid a possible crash. The KLM flight took off later for Amsterdam without problems.



# THE AMERICAS / 1996 NUMBERS

## POLITICAL NOTES

### Clinton's Legal Defense Fund Is Faltering

WASHINGTON — Hoping to encourage more contributions, the defense fund set up by President Bill Clinton to defray his expensive and mounting personal legal bills reported Friday that by the end of December it was more than \$830,000 short of the amount it needed to pay his legal bills for 1994.

The fund's difficulty in raising enough money to meet even half of Mr. Clinton's legal expenses is the latest indication of his limited popularity. Moreover, after the president was criticized by Republicans last month for using his State of the Union address to attack campaign contributions by lobbyists, he instructed the trust to impose new restrictions that will prevent any new money to be donated to the fund by lobbyists, a move that will make it harder for the fund to raise money this year.

Restricted by an ethics opinion from soliciting donations and by its own limitations from taking more than \$1,000 from any single contributor, the trust raised \$608,000 in its first six months of existence, about half of the more than \$1.2 million needed to pay Mr. Clinton's legal bills.

As of the end of December, the trust was left with \$143,969 in cash after it had paid its own expenses as well as some of the president's legal bills for the Whitewater investigation and the sexual harassment lawsuit filed by a former Arkansas employee. Left outstanding are legal bills from last year that total nearly \$1 million, the fund's officials said.

Although the fund has gone a long way toward reducing the financial burden on the Clintons, the large legal bills could threaten to eat into the family's assets. In their latest financial disclosure statement, which covers the period through the end of 1993, the Clintons listed their net worth as between \$633,015 and \$1,620,000, making them among the least affluent occupants of the White House in modern times. Most of the family's wealth is in the name of Hillary Rodham Clinton.

Mr. Clinton has retained two of the most expensive law firms in the nation, and both have assembled teams of high-priced lawyers, some of whom charge more than \$400 an hour. The lawyers have spent thousands of hours investigating the allegations involving the Whitewater investigation and the harassment lawsuit filed by Paula C. Jones. (NYT)

### Clinton Seeks 2-Step Minimum Wage Rise

WASHINGTON — Defying solid Republican opposition, Mr. Clinton proposed Friday that the minimum wage be increased by 90 cents an hour over two years.

"The only way to grow the middle class and shrink the underclass is to make work pay," Mr. Clinton said in a Rose Garden ceremony. "In terms of real buying power, the minimum wage will be at a 40-year low next year if we do not raise it above \$4.25 an hour." He proposed two 45-cent increases over two years, to \$5.15.

Chances of such an increase being approved by Congress are dim because the majority Republicans strongly oppose it. The last increase, 45 cents an hour, was in 1991. In a measure of the difficulty the proposal will face, not one Republican legislator attended the ceremony. (AP)

### New Surgeon General Starts Out Reluctant

WASHINGTON — Mr. Clinton has named Henry Foster Jr., a gynecologist from Tennessee, as surgeon general to succeed Joycelyn Elders, who was dismissed from the post.

"No comment," Dr. Foster quipped at the Oval Office, when reporters asked Mr. Clinton if he would let Dr. Foster be as outspoken as Dr. Elders. She was dismissed in November after saying that public schools should consider teaching about masturbation.

Many of the same groups who denounced Dr. Elders said they were no more satisfied with Dr. Foster than they had been with her. In his hometown of Nashville, Dr. Foster was active in Planned Parenthood, which provides abortion counseling, and was a founder of a youth group operating out of two public housing projects that encouraged young people to delay sexual activity but also distributed condoms.

Dr. Foster, 61, is a former acting president of Meharry Medical College in Nashville, one of four historically black medical schools in the United States. Like Dr. Elders, he is an Arkansas native. (WP)

### Quote/Unquote

Newt Gingrich, the speaker of the House of Representatives, cautioning that trouble lies ahead on several planks of his Contract with America: "I'll be quite frank with you. I think term limits is going to be very hard to pass, and I think litigation reform is just going to be a brawl." (NYT)

## AIRPORT: Home for Homeless

Continued from Page 1

traffic. They do not seem dirty or aggressive. They rarely panhandle.

Most are mentally ill, but not a threat to themselves or others. Some are well educated. They prefer the conditions at the airport to those in the street.

Their lives, however, are as motley as those of any homeless people.

Miss Vierck, a Wisconsin native, said she was sent to the airport by Jesus Christ after a short-lived dalliance with a man named Joseph from Queens.

Al Samuel, 32, a string bean of a man who grew up in the Bronx, became homeless after losing his job as a data-entry clerk on Wall Street in 1988.

Joined out of a deep sleep on a subway train by a policeman one morning in 1991, he saw a sign advertising buses to the airport. He has been living on and off at Kennedy and La Guardia airports ever since. He prefers Kennedy's Delta terminal, with its views of Jamaica Bay and a runway where he can watch planes landing and taking off.

There is also a woman with braces on both legs whose name no one knows. She folds herself like a package into a phone booth at night.

Of all the places the homeless reside in New York City, the airports, so far from Midtown, seem the least likely. But as the Transit Authority has gradually added buses to the takeoff points near the city outskirts, the airport terminals have become easier to reach.

The airport homeless are not unique to New York. Last month in Honolulu, airport workers circulated a petition asking authorities to evict the 50 people who live at the city's airport because they felt threatened, officials there say. In Chicago, the city opened an 80-bed shelter four years ago to draw the homeless from O'Hare Airport after things went too far. Some people brought in plants to decorate their corners.

It takes some ingenuity for a homeless person to end up at an airport; if it didn't, the terminals would be littered with people, Mrs. Schwartz said.

Those who find their way to Kennedy are drawn by its creature comforts. Even the garbage is of a higher quality, rummagers said. And the safety, the warmth and the supply of bathrooms and restaurants are unparalleled. It is like living in a 24-hour mall.

The homeless are more readily apparent to the police than to others because they see them daily. They cannot arrest them, unless they are a nuisance, but they do ask them to leave, knowing that the people simply wander around or take a shuttle bus to another terminal.

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## Clinton Budget Targets 130 Programs for Elimination

By Robert Pear

WASHINGTON — President Bill Clinton will propose \$1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

Mr. Clinton's budget request, to be submitted to Congress on Monday, shows a deficit of \$196.7 billion for the 1996 fiscal year, up slightly from the \$192.5 billion that he projects for this year.

Although his budget message boasts that his economic policies have sharply reduced the deficit from record levels, he says the deficit will probably stay in the range of \$190 billion through 2005.

The budget is always a political document, and a theme of Mr. Clinton's 1996 budget is that he wants to "work with Congress," now controlled by Republicans. Indeed, he appears to be in a race with them as he tries to eliminate or consolidate programs or trans-

fer them to the states or to private industry.

In parts of his budget, Mr. Clinton echoes the House speaker, Newt Gingrich.

"The American people remain deeply dissatisfied with how their government works," the budget says. "Many programs, perhaps even whole agencies, have outlived their usefulness."

In confidential galley proofs of the budget, Mr. Clinton says he could "save \$2 billion by ending more than 130 programs" and "provide better service to Americans by consolidating more than 270 other programs."

For example, he asks Congress to abolish the Interstate Commerce Commission and eliminate the role of the Army Corps of Engineers in smaller projects such as the control of beach erosion, local flood protection and the construction of recreational harbors.

He says private meteorologists should take over some functions of the National Weather Service. He would rely on private businesses to track and communicate with spacecraft like the

space shuttle. And he asks Congress to terminate 37 small "low-priority" education programs.

Mr. Clinton will propose a major increase in his national service program, AmeriCorps, which has been denounced by Mr. Gingrich as a form of "coerced volunteerism."

The number of participants, now 20,000, would rise to 33,000 at the end of this year and 47,000 next year under Mr. Clinton's proposal. For the corps' parent agency, which operates several volunteer programs, he requests \$1 billion in 1996, an increase of \$290 million over this year's appropriation.

Mr. Clinton says his economic policies have slashed the deficit from the record \$290 billion of 1992. Still, his proposals would require additional federal borrowing of nearly \$1 trillion over five years, and the federal government would spend \$194 billion more than it collects in revenue in the year 2000.

Mr. Gingrich's "Contract With America" calls for eliminating the def-

icit by 2002, but the Republicans have not specified the cuts needed to achieve that goal.

The president's \$1.6 trillion budget for 1996 breaks down this way: \$262 billion, or about 16 percent of the total, for the military; \$331 billion, or 22 percent, for Social Security benefits; \$271 billion, or 17 percent, for Medicare and Medicaid; and \$257 billion, or 16 percent, for interest on the federal debt, the accumulated total of federal borrowing.

Only \$21 billion, or 1.3 percent of the total, is for foreign aid and other international activities.

The president and the Republicans have agreed that the Social Security retirement program is off-limits in their quest for savings, and Mr. Clinton has said he will not tamper with Medicare, the federal health-insurance program for people who are elderly or disabled. The parallel program, Medicaid, provides health care for the poor.

The proposal means that a large share of the cuts must come from domestic programs subject to annual appropriations: activities such as law enforcement, scientific research, highway construction and environmental protection. These account for \$266 billion, or about 17 percent of the budget.

The remainder — \$184 billion, or 11 percent of the total — is for benefit programs such as welfare, food stamps, Civil Service pensions and veterans' benefits, which are automatically available to people who meet eligibility criteria.

In his budget message, Mr. Clinton says: "Now that we have brought the deficit down, we have no intention of turning back."

Mr. Clinton estimates that his tax cut, including a new tax credit for children and a new deduction for college expenses, will cost the Treasury \$63 billion over five years.

But he said he was proposing enough spending cuts to provide more than twice as much in budget savings — \$144 billion — as the tax cuts will cost. He asserts that the net effect would be to save \$81 billion.

## The Capital's Mayor Asks U.S. for Help

### Barry Says Deficit Is Too Big

By Howard Schneider and David A. Vise

Washington Post Service

WASHINGTON — Mayor Marion Barry of the District of Columbia says that the city's 20-year-old home rule government has become unworkable and has proposed that federal authorities take over municipal welfare, medical, court and corrections programs, a move that would dismantle major parts of the local bureaucracy he helped build in the 1980s.

Saying the city can no longer survive "half-slave, half-free" — paying for the services of a state government without a state's taxing authority — Mr. Barry acknowledged that the city cannot resolve its projected \$722 million budget deficit without substantial help from the U.S. government.

He asked for \$267 million in one-time aid to rescue the city from skyrocketing Medicaid costs, a proposal that even the city's defenders said was not likely to be approved without greater congressional oversight of the district's finances.

But Mr. Barry also called for a dramatic reduction of the district government's role, saying that its structure was flawed from the beginning and that now was time to right the imbalance.

Under his plan, the federal government would take over both St. Elizabeth's Hospital for the mentally ill and the Lorton Correctional Complex. It also would pay the costs of operating the D.C. Superior Court and the D.C. Court of Appeals, and assume the city's share of financing the Medicaid and Aid to Families With Dependent Children programs.

In return, he pledged to cut the wages of city workers by 10 percent, to reduce the work force by 4,000 people and to act aggressively on about \$200 million in budget cuts already approved by the D.C. Council.

The city's credibility is ebbing on Capitol Hill, Mr. Barry said, but at this point its problems are beyond the district's capacity to solve.

Mr. Barry said that in 1974, when Congress gave up direct control of the district and gave residents the right to elect municipal leaders, "we were so anxious to show we could take care of ourselves" that the city agreed to take on the job of

running prisons and welfare programs typically left to states. "We never should have," Mr. Barry said, and now it was time to give them back.

Several of the ideas the mayor floated already have been mentioned on Capitol Hill, and reaction to them has been mixed. A federal takeover of the prison at Lorton, for example, already is in the works.

More controversial, however, was his request for a \$267 million grant to resolve massive overspending in the city's Medicaid program, some of it discovered only recently through audits. Even the city's allies in Congress have made clear that the city would not get any more cash until they were convinced that local spending was under control. So far, they say, it is not.

Mr. Barry's broader proposal — to turn some city functions over to the U.S. government — may find favor with Congress, the speaker of the House, Newt Gingrich, said this week.

"We are the state for this city," the Georgia Republican said. "We have an obligation." Medicaid may be in for the biggest changes. Even if Congress refuses to take over the services Mr. Barry wants to surrender, administration officials say they plan to curtail Medicaid spending drastically.

The district has provided an unusually generous version of Medicaid, the health insurance program for the poor and disabled that is run jointly by the federal government and the states. Last year, Medicaid paid the bills for care by doctors, nursing homes and hospitals for one in four district residents, a mammoth undertaking that will cost the city nearly a half-billion dollars this year alone, the federal government steps in.

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## Away From Politics

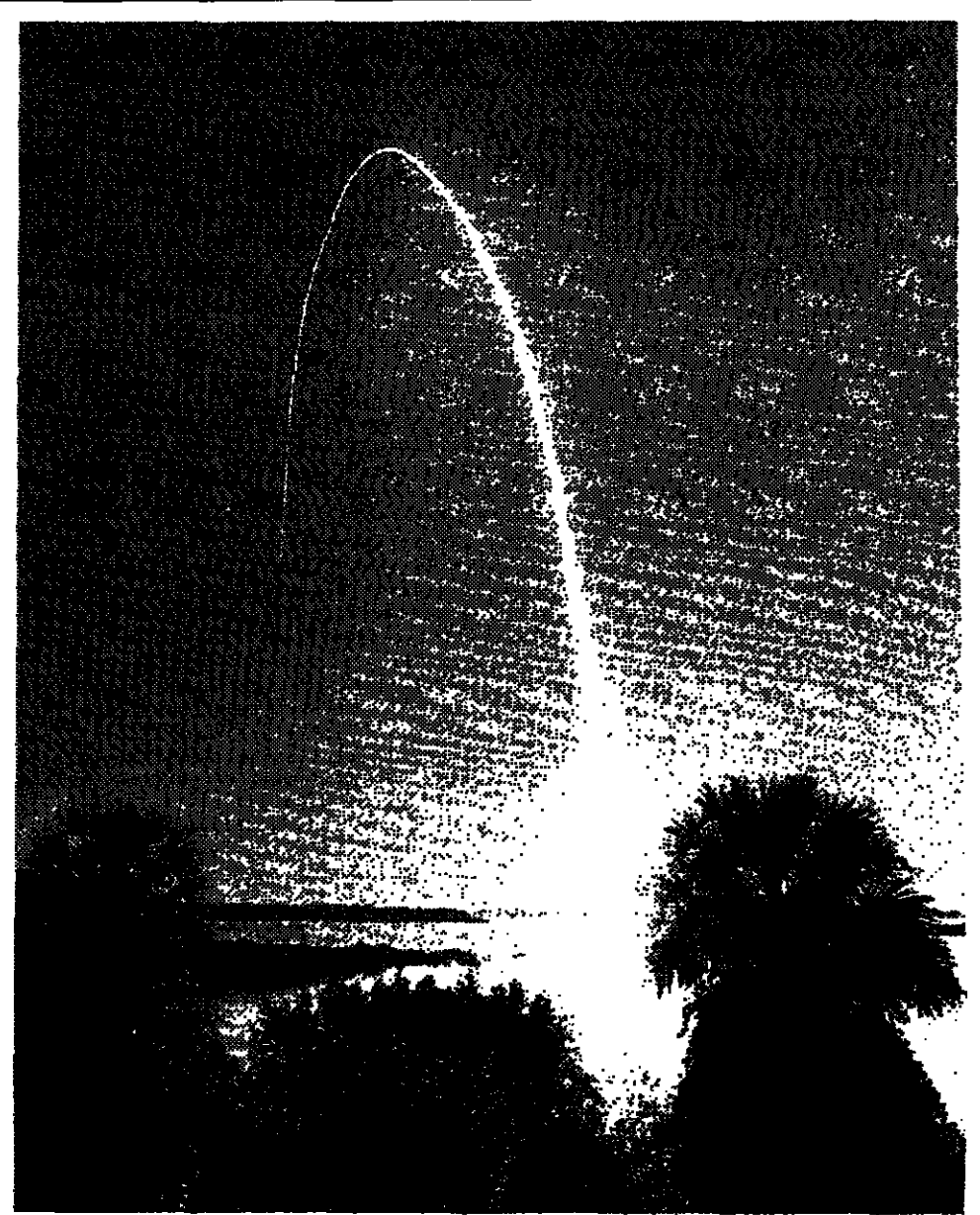
• A powerful wave hit a brother and sister as they scattered their mother's ashes off the coast near Mendocino, California, sweeping the sister away. Searchers were unable to find Debbie Menta, 32; Doug Painter, 23, was hospitalized and remained in stable condition. (AP)

• Twenty-one black people have been banned from several stores in Union Point, Georgia, after the police put them on a list of potential shoplifters. Police Chief Richard R. Reese said the list included only people police had dealt with regularly for shoplifting. (AP)

• Sheikh Omar Abdel Rahman, the accused leader of a plot to bomb several U.S. landmarks, said in a videotape played before a Manhattan federal jury that the United States is Islam's enemy and that the Koran permits terrorism against its foes. (Reuters)

• Robbers locked a 72-year-old woman in a closet, and she died trying to scratch her way out. The woman's body was found at least a month after she died, said police in West Hollywood, California. (AP)

• A Minneapolis ice-cream maker linked to a salmonella outbreak reached a tentative agreement in a lawsuit filed on behalf of thousands of people who say they fell ill after eating Schwan's ice cream. Schwan's Sales Enterprises Inc. will pay compensation of \$80 to \$75,000 per person, depending on the severity of the illness. (AP)



ARC OF DISCOVERY — The space shuttle Discovery lifting off from Friday from Cape Canaveral, Florida, in a time exposure. The shuttle, which is to rendezvous with Russia's Mir space station, encountered problems with its maneuvering thrusters.

## RELIGIOUS SERVICES

- AMSTERDAM**  
CROSSROADS INTERNATIONAL CHURCH (Evangelical & Pentecostal) Sun. 10:30 a.m. & 11:30 a.m. & 8:00 p.m. Wednesdays at 8:00 p.m. Contact: Pastor Mike Kampers, Tel. 312 3660.
- PARIS and SUBURBS**  
THE AMERICAN CATHOLIC OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evening, 23, avenue George V, Paris 16000. Tel. 351 47 20 17. Contact: George V or Alma Mercier.
- FLORENCE**  
ST. JAMES CHURCH, Sun. 9 a.m. File 1 & 11 a.m. File 11. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel. 3955 29 44 17.
- FRANKFURT**  
CHURCH OF CHRIST THE KING (Evangelical) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Platz 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Albes. Tel. 49 69 5501 84.
- GENEVA**  
EMMANUEL CHURCH, 1st, 2nd & 3rd Sun. 10 a.m. Holy Eucharist and Sunday Prayer. 3 rue de Monrovia, 1201 Geneva, Switzerland. Tel. 41 22 732 80 78.
- MUNICH**  
THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery care provided. Seyboldstrasse 4, 81545 Munich (Hartshagen), Germany. Tel. 49 89 64 81 85.
- BRUSSELS/WATERLOO**  
ALL SAINTS CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 583 Chaussee de Louvain, Châteaufort, Belgium. Tel. 32 2 392 3555.
- WIESBADEN**  
THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel. 49 631 3103 74.
- EUROPEAN BAPTIST CONVENTION**  
**BARCELONA**  
I.B.C. meets at 9:30 a.m., Bona Nova Baptist Church, Carrer de la Ciutat de Barcelona 40. Pastor Lance Borden, Ph. 439-5059.
- BERLIN**  
I.B.C. Berlin, Rotherbaum Str. 13, (Siegfried) Block study 10:45, worship at 12:00 each Sunday. Contact: A. Wierand, Pastor. Tel. 030-774-4670.
- BONN/KÖLN**  
I.B.C. OF BONN/KÖLN, Rheinstraße 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel. (0228) 47021.
- BRATISLAVA**  
I.B.C. (English language, evangelistic) Zrímskeho 2, 812 30 Sunday - Ben Hanna, Tel. 715367.
- BREMEN**  
I.B.C. (English language) meets at Evangelical-Freikirchliche Kreuzgemeinde, Hohenthorstrasse Hermann-Böse-Str. (around the corner from the Bahnhof) Sunday worship 17:00. Contact: Pastor Mike Kampers, Tel. 04791-12877.
- BUCHAREST**  
I.B.C., Strada Popea Rusu 22, 3:00 p.m. Contact: Pastor Mike Kampers, Tel. 312 3660.
- BUDAPEST**  
I.B.C. meets in Morics Zsigmond Gimnazium, Torokszék ut. 45-46, Sundays, 10:00 Coffee Fellowship, 10:30 Worship. Take Bus 11 from Batthyány tér. Other meetings, call Pastor Bob Zander, Tel. 250-3522.
- BULGARIA**  
I.B.C., World Trade Center, 36, Drahna Tzarikov Blvd. Worship 11:00. James Duke, Pastor. Tel. 704387.
- CELLE/HANNOVER**  
I.B.C., Windmühlen Strasse 45, Celle 1300. Worship, 14:00 Bible Study, Pastor West Campbell, Ph. (05141) 46116.
- DÜSSELDORF**  
I.B.C. English. Worship and Children's Church Sundays at 12:00 p.m. Meeting temporarily at the Evangelical - Freikirchliche Gemeinde in Ratingen, Germany (Kaisersberg 11). Friendly Fellowship. All denominations welcome. For further information call the pastor: Dr. W.J. De Lay, Tel. 0211-400 157.
- FRANKFURT**  
INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelical-Freikirchliche Gemeinde, Sodenerstr. 11-18, 6380 Bad Homburg, phone/Fax: 06173-82728 serving the Frankfurt and Taunus areas, Germany. Sunday worship 9:45, nursery + Sunday-school 10:00, women's bible studies, Housegroups - Sunday + Wednesday 18:30. Pastor M. Lavey, member European Baptist Convention. "Declare His glory amongst the nations."
- BETHEL I.B.C.** Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m. Dr. Thomas W. Hill, pastor. Tel. 069-545559.
- HOLLAND**  
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemkampen 54 in Wassenaar. Tel: 07171-78024.
- MOSCOW**  
I.B.C. Meeting 11:00, Kino Center Building 15 Druzhimirovskaya UL 5th Floor, Hall 6, Metro Station Blahodnyaya Pastor Brad Stearns Ph. (095) 150 3293.
- MUNICH**  
I.B.C. OF MUNICH, Holzer 9 English Language Services, Bible study 18:00. Worship Service 17:00. Pastor's office: 6808334.
- PRAGUE**  
INTERNATIONAL BAPTIST FELLOWSHIP meets at the Czech Baptist Church Vrchbicka 168, Prague 3. At main stop Jihlava Podbabska Sunday a.m. 11:00 Pastor: Bob Ford (02) 511 7974.
- VIENNA**  
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m. Scharneggasse 25. Tel. (01) 2825525.
- WATERLOO**  
WATERLOO BAPTIST FELLOWSHIP Worship 14:00 at Swedish Church, Chaussee de Charleval 2 across from McDonalds. Tel: 085 225076.
- ZÜRICH - SWITZERLAND**  
I.B.C. of Wädenswil (Zürich), Rosenbergr. 4, 8620 Wädenswil, Worship Services Sunday mornings 11:00. Tel: 1-724 2882.
- ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST**  
**BERLIN**  
AMERICAN CHURCH IN BERLIN, cor. of Clay Alley & Potsdamer Str. S.S. 9:30 a.m. Worship 11 a.m. Tel: 030-8133021.
- BRUSSELS**  
THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9:30 a.m. and Church 10:45 a.m., Kattenberg, 19 (at the Int. School). Tel: 673.05.81. Bus 55, Tram 94.
- COPENHAGEN**  
INTERNATIONAL CHURCH OF Copenhagen, 27 Favegade, Vester, near Rådhus. Study 10:15 & Worship 11:30. Tel: 31624785.
- FRANKFURT**  
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (Across from Burger Hospital), Sunday School 9:30, worship 11 a.m. Tel: (069) 58478 or 512522.
- GENEVA**  
EV. LUTHERAN CHURCH



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## China Outside the Fold?

With gingerly care, the United States is trying to draw China into the web of commitments that tie the great trading nations together. China isn't making it easy. The Chinese like to insist that they are special and exempt from the rules that bind other countries. The latest collision is over massive piracy of copyrighted music, films and computer software, most of it American. Through weeks of intensive negotiation, the Chinese have consistently declined to enforce their own laws against the factories that annually churn out tens of millions of unlicensed compact disks.

China is of course an anomaly. It is now one of the world's 10 biggest exporters, while the other nine are all rich industrial countries and democracies. China is ruled by a nominally Communist party whose leader is slowly dying, which creates among his subordinates a wary reluctance to make difficult decisions on trade or anything else. While China has enthusiastically embraced capitalism in practice, remnants of Communist ideology still have a certain hold. Marxist ideas about property keep turning up in the discussions of the illegal CDs and copyrights.

More important, China's movement to-

ward open markets — which the United States has supported — has created forces in China that no one appears to be able to control at present. The CD factories are extremely profitable, and are generally joint ventures with state enterprises or ministries. That means that they send a rich flow of dividends upward to people high in the political structure, from whom in return they receive political protection.

If the quarrel over the CDs is not resolved, the White House intends to impose staggering tariffs on a billion dollars worth of Chinese exports, in effect shutting them out of America. The administration's attitude toward the Chinese has been soured by their adamant refusal to improve their record on human rights. American policy has been to try to use trade benefits to induce China to come closer to the political and commercial standards upheld by the other major mercantile countries. But if the Chinese decline to make even the most minimal gestures toward progress in that direction, the United States must react. The Chinese authorities need to see proof that real penalties follow persistent violations of international law.

— THE WASHINGTON POST.

## Open Up the Euro-Debate

Some say that France faces no particularly urgent task in its first-half-of-1995 presidency of the European Union. Get Europeans thinking about why their joblessness is so much worse than America's or Japan's; hold a conference about "the stability of the European continent"; prop up Europe's "cultural diversity," meaning France's film and television industry; preside over the usual half-year's output of Euro-directives. And that, with six weeks off in April and May while France concentrates on its presidential election, will be about that. This is wrong. There are two things that Europe ought to be urgently thinking about, and France has a large part to play in both of them.

One is the need to reconcile the two new demands on the European Union's budget, from the east and from the south. The Union has at last started opening its doors to the new democracies of ex-Communist Europe. It is reckoned that this will cost more than \$8 billion by 2000, not to mention any changes it may require in the Union's farm policy. Meanwhile, Monday's car bombs in Algeria underline the need for a plan to cope with the Islamic explosion in North Africa. The Union's current thinking on this front could cost nearly \$7 billion. That estimate will almost certainly rise.

The only way to make such ends meet is to take another look at the great present devourer of EU money, the farm policy. Officials of the European Commission say the Union will be able to absorb food exports from its new Eastern members without changing its farm policy. Their calculations are dubious. Anyway, the current cost of that policy — still half of the

Union's total budget — is bigger than a Europe facing so many other demands can afford. The 1990s have seen one vigorous slicing of the subsidies paid to Europe's farmers. There will probably have to be another. France's farmers will protest loudest. But France above all sees the danger on the southern shore of the Mediterranean. It has to choose.

The other urgent question goes to the roots of European politics. Does the monetary union that both France and Germany say they want necessarily mean political union, too, which Germany wants but France is hesitant about? France's likely next president, Edouard Balladur, insists that monetary union should go ahead, at least between France and Germany and the Benelux countries, as soon as possible. Mr. Balladur has also said that federalism — political union — is an outdated idea in Europe. But one of Germany's top politicians, Karl Lamers, says a single European currency inexorably leads to a single European polity. They cannot both be right.

This has to be argued out before Europe's leaders sit down at their intergovernmental conference next year to talk about Europe's future. For instance, will a shared currency mean a shared budget, too, with Europe-wide authority in such hitherto national domains as welfare transfers to alleviate unemployment? At the moment, the political implications of monetary union are not on the agenda of next year's great Euro-conference. It is France's job, whatever its election-year inhibitions, to bring them out of the corner where they are hiding.

INTERNATIONAL HERALD TRIBUNE.

## A Flawed Defense Bill

As part of their Contract With America, House Republicans are pressing ahead with a mischievous piece of legislation that would undo the Clinton administration's modest efforts to adjust security policy to post-Cold War realities. The bill, HR 7, has cleared three committees and seems headed toward House passage. The legislation would increase pressure for higher defense spending, revive efforts to develop "star wars" missile defense systems, encourage reckless expansion of NATO defense guarantees to Eastern Europe and hobble U.S. participation in United Nations peacekeeping. It would also undermine presidential authority by creating an unnecessary national security commission designed primarily to amplify the voice of the Republican congressional leadership.

Despite the disintegration of the Soviet Union, the bill is built around the dubious assumption that a decade of modest defense cuts under Presidents Reagan, Bush and Clinton have seriously weakened American security. At a time when no great power poses an immediate military threat to the United States and Republicans are poised to make deep cuts in domestic programs, there is no justification for increased defense spending. Certainly not on a missile defense system that is impractical, wildly expensive and designed to defeat a threat greatly diminished by the demise of the Soviet military.

Beyond these budgetary follies, the legislation takes a dangerously simplistic approach to expanding NATO, by encouraging the early inclusion of East European countries. For now, these countries need help building democracy and market economies, not a military shield against a hollow Russian army. The timing and pace of NATO expansion are

delicate questions that cannot be micromanaged by Congress.

The drafters seem to view UN peacekeeping primarily as a danger to American lives and policies, rather than as a cost-effective way to share the burdens of policing cease-fires and enforcing international resolutions. The bill would restrict U.S. participation by limiting the kinds of missions that Washington could join, reducing U.S. financial support and tightening the terms for American involvement when peacekeepers are under foreign command.

There is little need for that. When the United States contributes large numbers of troops to a UN operation, as in Haiti, an American military officer is generally in overall command. Participation in these missions, large or small, takes place only with the approval of Washington, and any enforcement operations ordered by the Security Council are subject to U.S. veto.

The bill does make a useful contribution by stipulating that American equipment contributed to UN operations be counted against the regular U.S. peacekeeping assessment. There is no reason for the United States to pay a hidden subsidy on top of an already excessive share of the costs.

Bill Clinton and congressional Democrats are understandably preoccupied with the Republican legislative march on domestic issues, but they cannot afford to ignore the advancement of this bill. House committee action eliminated some of its most egregious features, but much mischief remains. Without considerable further revision, it will undermine deficit-reduction efforts, twist defense strategy and project Congress into areas of foreign policy management best left to the president and his cabinet.

— THE NEW YORK TIMES.

## Going It Alone and Multilateralism Aren't Leadership

By Brent Scowcroft and Arnold Kanter

WASHINGTON — The end of the Cold War spawned fears that the United States would return to isolationism, turning its back on the outside world as America attended to its domestic problems and agenda. Evidence supporting those fears is growing.

Yet characterizing the U.S. reaction to the end of the Cold War as "isolationist" creates an impression that is misleading in important respects. American foreign policy not only has become passive and diminished but also has become more narrow-minded, shortsighted and, increasingly, go-it-alone. In a word, U.S. foreign policy is becoming increasingly "unilateralist" as well as "isolationist."

In contrast to traditional isolationism, the new unilateralism does not deny America's interdependence with the rest of the world or turn its back on international developments that unavoidably impinge on American interests. In contrast with isolationism, however, the new unilateralism reflects an unwillingness to do the hard work of exercising international leadership, and an urge not merely to share but to shed its burdens.

Put simply, the new unilateralism underlies a foreign policy approach which holds that the United States will deal with the world when it must, but only in its own way, in its time and on its own terms.

Two recent examples serve to illustrate the new unilateralism. The first concerns the response to Iraq's massing of troops on the Kuwaiti border last October.

After a reassuringly decisive response, the United States bungled the

follow-up in the UN Security Council. First it yielded to the desires of other Security Council members to adopt a new resolution on Iraq rather than insist that the existing, strong resolutions were sufficient. It then tried, but failed, to get tough enforcement measures included in the new resolution. Finally, in the wake of this failure, the United States announced (with Britain) that it nevertheless would take it upon itself to enforce the resolution's terms.

The second example concerns the U.S. withdrawal from NATO enforcement of the Yugoslav arms embargo. Not only did the Clinton administration fail to make a serious attempt to head off the congressional legislation requiring a U.S. pullout (for example, by making clear that the president would veto the bill), but it went on to interpret the resulting law expansively rather than narrowly. In doing so, it simply walked away from an agreed NATO policy of which it was one of the primary architects.

The point here is not to debate the substantive merits or lasting significance of either action, but rather to draw attention to an emerging pattern of the new American unilateralism.

In the case of Iraq policy, Washington sent a clear message that it would not feel bound by Security Council resolutions with which it disagreed. In the case of the Yugoslav arms embargo, it sent a clear message that rather than pick and win a fight with Congress, it would abandon

unilaterally a policy that it had forged together with NATO allies.

Both cases illustrate not the failure of American leadership so much as the American failure to exercise leadership.

This every-man-for-himself approach to international problems ignores the fact that America's fate is increasingly intertwined with those of others, and therefore that the continuing exercise of American leadership is central to the protection and promotion of U.S. interests and values in the world.

It invites U.S. friends and allies to adopt a similarly unilateralist line on issues ranging from restrictions on trade among friendly countries to restraints on pariah regimes in Baghdad, Tripoli and Tehran. It sets an example that not only tolerates but encourages a unilateralist Russian foreign policy approach to issues ranging from the so-called "near abroad" to nuclear cooperation with Iran.

The new unilateralism also reveals a shortsightedness that damages international institutions which are key to U.S. interests. Thus, the UN Security Council is important to America precisely because more and more of U.S. security interests are better served by multilateral cooperation and support than through unilateral action. When Washington picks and chooses among the Security Council resolutions that it will observe instead of exercising leadership consistently to produce the UN actions that America needs, it undermines a valuable

instrument of American foreign policy. The preservation of sanctions on Libya and Iraq provides two cases in point.

Likewise, NATO is vital to U.S. interests, not only because its institutions are key to maintaining and extending stability in Europe but also because it is the best — perhaps the only — institutional means by which to ensure that the United States remains a genuinely European power. In doing so, NATO provides a counterweight to what otherwise would be a growing strategic imbalance among the European Union's major members.

Put simply, continued American leadership of a vibrant NATO is vital to American political and economic, as well as security, interests.

Washington needs to stop yielding to the shortsighted temptation to take the easy way out promised by the new unilateralism and return to doing the admittedly hard but essential work of exercising foreign policy leadership.

At the same time, it needs to recognize that exercising leadership is hard work precisely because it does not mean yielding to the positions of others simply in order to present a united front among allies or avoid a fight with Congress. It does mean forging a consensus behind policies that serve important and enduring American interests.

Mr. Scowcroft was national security adviser to presidents Gerald Ford and George Bush. Mr. Kanter was undersecretary of state from 1991 to 1993. They contributed this comment to The Washington Post.

## Islamic Extremism Is Organized, Experienced and Quite Resistible

By John K. Cooley

NICOSIA — No one has potentially more to lose from the Islamist violence now threatening Israel and other countries than Jordan's King Hussein. And no Arab ruler has so far famed violence more successfully than he, providing examples of statecraft for others. For 45 years he has survived rebels and would-be assassins, often enlisting his enemies as friends.

Last fall he signed with Israel what he calls "a good peace." As with the one that the late President Anwar Sadat of Egypt made with Israel in 1979, even the Israeli right has accepted the treaty. The final years or decades of King Hussein's career are now dedicated to making it stick.

Potentially threatening societies from North Africa to the Philippines are violent movements like Islamic Jihad, avowed perpetrators of what President Bill Clinton called the "horrendous" bombing in Israel on Jan. 22. Many of these movements have common ancestors. It is instructive to look at their roots and how King Hussein has dealt with them.

In 1951, after a Palestinian extremist assassinated his grandfather, King Abdullah, a split occurred in the Muslim Brotherhood. A Palestinian religious teacher named Sheikh Takiyeddin Nahhas was the co-founder of a new, highly secret offshoot of the Brotherhood named the Islamic Liberation Front. The other co-founders were two Muslim clerics, both from Hebron on the West Bank.

After being banned in Jordan, Syria, Egypt and Lebanon, the Liberation Front began operating from West Germany in 1977. Its secret members implanted themselves throughout the Arab world, especially in the educational professions and among university students. The front has inspired Islamist guerrillas now fighting in Algeria. It works for establishment of theocratic state under the rule of an Islamic "caliph."

By the mid-1980s, the Islamic Liberation Front was threatening King Hussein in propaganda cassettes and mosque sermons calling

for "holy war" against "Shah Hussein," comparing him to the late pro-American shah of Iran.

When the Palestinian infitadah against Israel began in the West Bank and Gaza in 1987, some leaders of the front were fighting or training to fight the Russians in Afghanistan, under the auspices of the American CIA and Pakistan's military intelligence organization.

A Palestinian leader of the front, Abdullah Azzam, recruited young Muslims in America and elsewhere to come and fight in Afghanistan. Several of his followers became involved in the February 1993 bombing of the World Trade Center in New York and a second conspiracy to bomb United Nations headquarters, the Lincoln and Holland tunnels and other New York targets in June 1993.

As the Afghanistan war wound down, Arab "Afghans" as the war veterans are called, drifted home. King Hussein ordered his security services to keep a close watch on returnees to Jordan.

Despite precautions, Afghans in July 1991 bombed cinemas and

other targets in Amman and elsewhere in Jordan. (At the time, King Hussein was being blamed in the West for not confronting Iraqi dictator Saddam Hussein.) A terrorist group calling itself the Army of Prophet Mohammed planned kidnappings. Targets reportedly included one of King Hussein's younger sons, Prince Abdullah.

Jordanians were shocked to learn that the group's leader was a medical doctor, Yamal Ramzi, a Jordanian of Circassian origin. Circassians, like their neighbors the Chechens, emigrated from the Caucasus to Jordan and Palestine (then under Turkish rule) in waves from the mid-19th century until Stalin's purges. Circassians played an important anti-Soviet role in the Afghanistan war.

King Hussein has now found a safety valve for Circassian and Chechen energies: allowing individual members of their communities in Jordan to volunteer for combat against the Russian army in Chechnya, and the communities to send humanitarian aid to their fellow Muslims in the Caucasus.

By legalizing Jordan's political parties and encouraging a free press and public liberties, as well as an active, elected Parliament in which more than one-fourth of the deputies are Islamists, the king has isolated more extremist elements like Islamic Jihad and the anti-Israel Hamas organization. Jordan's security services have largely prevented anti-Israel terrorists from using Jordan as a base.

Although he has frequently pardoned and given new jobs to Jordanians who plotted against his life, King Hussein sometimes has to wield a stick as well as a carrot. On Dec. 21, Jordan's state security court sentenced to death 11 Islamists for bombings carried out in early 1994. Twenty-five got prison sentences; three suspects, all Afghans, are on the run.

Islamists threaten the existing state in Algeria, Egypt and, to a much lesser extent, Tunisia. Islamist groups — some transplanted directly from Afghanistan, some working for Pakistani intelligence — conduct violent operations in Kashmir, India's Punjab and the Philippines. Others work in Indonesia and Malaysia.

## And Now Pull the Rug From Under Jihad in America

By A. M. Rosenthal

NEW YORK — The Clinton administration has come to two major conclusions about terrorism in and from America. The first is that the United States is becoming a national safe haven for terrorists from the Middle East: a combination bank, fundraiser, militant training ground, recruitment center, political academy and embarkation dock.

The second: Do something. So instructions from Washington went out to banks nationwide to freeze the funds of the various Hamas, Hezbollah and Islamic Jihad units, and their clones, operating from the East Coast to Texas and California.

Now the administration is asking Congress to pass new anti-terrorist legislation. It would enable the government to trace funds to and from the terrorist-supporting groups, tighten the definition of terrorism, enlarge the powers of federal attorneys to deal with it and make it illegal to plan or train for terrorism abroad as well as in the United States.

The Omnibus Counterterrorism Act of 1995 was drawn up by the Department of Justice on presidential order and will be introduced in Congress in a matter of days. For Americans who have been warning about terrorism operating in and out of America, the time to relax has hardly arrived. We will see how effective the act is in ending the contribution to terrorism of American laws and American inattention.

But the fact is that the Clinton administration has begun to pay more attention to the growth of terrorist organizations at home than its predecessors did. In parts of the government intelligence machinery the assessment of the danger of terrorism originating in America is strong enough to surprise even anti-terrorism alarm ringers like myself.

In large part, the awakening can be credited to the terrorists themselves. (Even for Americans, blowing up the World Trade Center was a little thick.) But the next time you get all worked up about the dastardly press, do remember that in the matter of terrorism, as so many others, it was an American journalist whose skill, determination and risk-taking (physical and professional) helped to shake government awake.

On Nov. 21, 1994, PBS presented "Jihad in America." The documentary laid it all out on film — the meetings in American cities where the cry of holy war went up against America; Christians, Jews and Muslims who would not surrender to fundamentalism; the training; the visits to American units by Middle Eastern leaders of Hamas and Islamic Jihad; the fund-raising structure that supported terrorism.

The executive producer was Steven Emerson, an investigator of terrorism who has turned out a strong body of work in film, books and print journalism.

Among government officials I talked to, credit for Mr. Emerson was not only acknowledged but volunteered.

Democracy often has a tough time defending itself because it has to operate step by step, inch by inch, under the law. Yes, of course, that is democracy's blessing and strength. But nothing says a democracy has to watch the bombers come racing in their trucks and pretend they are bicyclists out for a ride in the park.

The Emerson documentary brought protests from American Muslim groups. So will the new legislation. Immediately, non-Muslims must sympathetically and think, well, it's understandable that Muslims will be upset. I almost did myself.

But why? Christians are not expected to complain about denunciation of Christian fascists. Jews around the world led the protests after the massacre at the mosque in Hebron, and Jews generally did not protest the president's freezing of funds of two extremist Jewish groups.

The assumption that all Muslims must be angry at action taken against Muslim terrorists strengthens the killers. It devalues the intelligence of all Muslims. And, as for the hundreds of thousands of Muslim victims who died under Muslim state tyranny or Muslim state-supported terrorism, it spits on their graves.

The New York Times.

## How to Learn About the Real Clinton

By David S. Broder

WASHINGTON — David Maraniss of The Washington Post, whose coverage of Bill Clinton in 1992 won a well-deserved Pulitzer Prize, this week is publishing a biography of the president, "First in His Class," that is so insightful and important that it demands attention.

It is a thoroughly documented biography, beginning with Mr. Clinton's boyhood years and ending with the announcement of his candidacy for president. Mr. Maraniss does not impose his interpretation of the complexities of Mr. Clinton's character. I came away persuaded that the strengths and weaknesses of Bill Clinton are larger than I had known and so inextricably intertwined that it is unrealistic to suppose that you can eliminate one without sacrificing the other.

From his earliest years, Bill Clinton has dazzled and attracted people, giving almost everyone who encountered him a vivid impression of extraordinary talent and high promise.

It was not only his indulgent mother who recognized this potential. Charlie Daniels, a conservative plumbing contractor from Norton, Virginia, ran into the bearded Oxford student at a hotel in Moscow in 1970. Mr. Daniels was on a rescue mission for Americans missing in Vietnam; Mr. Clinton was an opponent of the war. But the older man was so "fascinated" by the youth that he later came to Arkansas, at his own expense, to

help out in a Clinton campaign. That empathy for an amazing range of people and that talent for building genuine friendships, not just the fake camaraderie that so many professional politicians exude, is one thing that sets Mr. Clinton apart.

Another is the off-the-charts intellect that propelled him through three world-class universities while barely cracking a book and while maintaining an extracurricular schedule that would exhaust most mortals.

A third distinctive quality is what Strobe Talbot called the "raw political talent" that from early school days has fueled Mr. Clinton's constant quest for higher office.

His appetites are as oversized as his talents. His is a sprawling, undisciplined character that constantly impels him to go beyond the bounds of prudence, and imposes extraordinary demands on his friends and associates.

Early in life, someone told him that anything more than five hours of sleep a night is wasteful, and ever since he has operated as if a 19-hour day were normal. That may explain his chronic tardiness, his tolerance for long meetings, his taste for speeches that exhaust his listeners, and his inability to trim his agenda to fit the work schedule of Congress.

Often, Mr. Maraniss depicts behavior that is grossly self-in-

dulgent. Mr. Clinton's multiple romantic involvements have forced others to cover up for him, to stifle the complaints and soothe the injured feelings of the women. His outbursts of anger and fits of denial exact a heavy toll on those closest to him.

His tendency to procrastinate, whether it is writing exams for his law students or finding a way to rescue the peso, is a constant threat to his success.

Repeatedly, Mr. Clinton seeks to have it both ways, to compromise what cannot be compromised. The book's reconstruction of his wriggling efforts to avoid the draft without becoming a conscientious objector is so painful that you can understand the adult Clinton's refusal to confront that part of his past.

All this is so much part of the man that reading his past is eerily like watching the present. The first two years as governor were exactly like the first two years as president, from the broken promise to the legislature's opening day to the impossible goal of passing "a pent-up idealistic agenda" while simultaneously being "perceived as a cautious spender."

At the end of those two years, the failings in character and performance defeated Mr. Clinton. Two years later, his strengths brought him back. This book explains why it happened then — and why it might happen again. It is a revelation.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1895: China Stalls Peace

PARIS — [The Herald says in an editorial:] The negotiations for peace between China and Japan have been abruptly interrupted. The Japanese Government had made it a condition that the Chinese envoys should have plenary powers, which they were supposed to have been given. Now, however, it appears that the Peking Government, with characteristic duplicity, had limited the powers of its representatives, who to-day [Feb. 4] start back for China. But try what she may, China cannot save off the day of reckoning much longer, and doubtless the more it is delayed the higher will be the account demanded of her.

### 1920: Despair in Poland

WARSAW — Despair is rapidly seizing on the Poles because of the growing fear that the Western

European Powers will not give them the material aid to fight off the bolsheviks. To sign peace with the Red Army is repugnant to all here who have at heart not only the interests of Poland, but of civilization. Mr. Lloyd George is reported to have refused aid to Poland and also to have expressed his wish for an armistice. Poland's army is ready to stay in the field to either repel or attack the bolsheviks if only help can be given.

### 1945: Lieutenant Picasso

PARIS — The famous Spanish-born artist, Pablo Picasso, soon to be Lieutenant Picasso, is going to war at the age of sixty-three. But he will carry a palette and not a gun. He is to serve in the new French "service of artists at war," constituted recently at the suggestion of General de Gaulle. The group has been assigned a temporary mission to paint war scenes.

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## Peres Sees No Israeli Giveaway

### Palestinians Say Peace Is Stalled

**JERUSALEM** — Foreign Minister Shimon Peres said Friday that Israel had profited from the Cairo summit meeting with its Arab peace partners by not backing down over disputes, but Palestinian officials said Israel's attitude had blocked the peace process.

"I must say that, in my opinion, on the issue of nuclear weapons, on the issue of settlements, on the issue of redeployment, we profited in two ways: We didn't back away from our positions and we didn't create a confrontation," Mr. Peres told Israeli radio.

But he indicated that the government would ease the closings of the Gaza Strip and the West Bank, which were imposed after the Islamic Jihad group killed 21 Israelis in two bomb attacks Jan. 22.

"Regarding the closure, in my opinion, we should begin lifting it slowly," Mr. Peres said.

But the ban remained firmly in force Friday, limiting the turnout for the first Friday prayers in Jerusalem in the Muslim holy month of Ramadan.

Prime Minister Yitzhak Rabin discussed the ban with security officials Friday. His spokesman said he would recommend to the cabinet on Sunday "to ease the situation in humanitarian instances among the residents."

The head of local government in the Palestinian self-rule authority, Saeb Erekat, said Mr. Peres's statement showed that Israel's goal in Cairo had been to gloss over problems in the peace process. Mr. Rabin met with President Hosni Mubarak of Egypt, King Hussein of Jordan and Yasser Arafat of the Palestine Liberation Organization.

"It seems to me they want to win the elections" in Israel and "not to win the peace," Mr. Erekat said. "The point of this summit in Cairo was the peace process having reached a deadlock and it was created by this kind of attitude."



A Palestinian gesturing as he tried to argue his way by an Israeli police officer Friday at a Jerusalem checkpoint. Many Muslims were prevented from attending the traditional first Friday of Ramadan prayers at the city's Al Aqsa Mosque.

## Paris Proposes Algeria Talks

### Mitterrand Wants EU to Back a Conference

By Youssef M. Ibrahim  
New York Times Service

**PARIS** — President François Mitterrand suggested Friday that the European Union host peace talks between the Algerian opposition and the government, defining further what appears to be an evolving European position on the need to bring an end to the civil war in the North African country.

Mr. Mitterrand's comments followed those of other senior French officials, including the defense and foreign ministers, who in the past few days have urged the military-backed government of Algeria to abandon its offensive against Islamic fundamentalists, which has cost up to 30,000 lives in the last three years.

"If the European Union could organize in Europe a conference that would be inspired by various ideas proposed recently, notably at the opposition meetings in Rome," Mr. Mitterrand said, "there might be more of a chance of seeing these proposals recognized by rival parties."

The French president was referring to last month's gathering in Rome of eight secular and religious opposition parties that called for a cease-fire and the release of political prisoners.

Mr. Mitterrand added, however, that both he and Chancellor Helmut Kohl of Germany agreed in talks that financial aid to the Alger-

ian government, which fundamentalist Muslims want stopped, should continue.

Bonn has significant interests in Algeria and many fundamentalist opponents of the regime there live in Germany.

The French president's comments are bound to be seen by the Algerian government as further pressure to compromise with its opponents, largely because France plays the crucial role in propping up the present government through financial, intelligence and military aid.

Until just a few months ago, the French attitude was far more aggressive in its support of the government's campaign to "eradicate" Muslim fundamentalist opposition.

Last year, scores of Muslim fundamentalist North Africans were expelled from France after being implicated in underground networks believed to be seeking to smuggle weapons to Algeria's fundamentalist organizations.

In December, four Algerian Muslim terrorists hijacked an Air France plane, killing three passengers before being shot and killed in Marseille by French commandos, who stormed the aircraft.

tunganya, but Lieutenant Colonel Jean Bikomagu, the Tutsi army commander.

Faced with such tensions, the elected government has done virtually no governing, bogged down instead in endless negotiations with the Tutsi opposition. Taxes are not collected, laws are not passed.

On Tuesday, the Tutsi opposition party, the Union for National Progress, called for the overthrow of the government within two days. Government officials in Burundi and Western diplomats said that the army still backed the government. Some officials think that Tutsi militants are trying to create enough violence to force the army to intervene against the government.

"The army found out if you are going to take power in a coup the price will be very high," said a Western diplomat. "Rwanda set everybody back."

The army recognizes that several military coups — particularly the one in October 1993 — were failures, causing the deaths of tens of thousands of Tutsi. Colonel Bikomagu has been accused in a report by the Africa branch of Human Rights Watch of sharing responsibility for the

failed 1993 coup that killed Mr. Ndayaye. He denies it.

Tall and soft spoken, Colonel Bikomagu sees the problems of Burundi as created by the politicians' bickering and the incitements of the Hutu and Tutsi militant groups. He says moderates and peace will ultimately prevail, but warns that the stalemate cannot last forever.

"We Burundians usually put all our blame on the security forces," he said. "The problem is not there. Since the crisis of 1993, the government has not worked. It has gone from negotiation to negotiation. We need for the government to really guide this country. If the government doesn't work, it is obvious that the security forces have a lot of difficulty maintaining order. The political parties must get along if they want to govern this country."

#### Grenade Kills 3 Students

Three students were killed and nine wounded early Friday in a grenade attack at Bururi school in southern Burundi. Reuters reported from Bujumbura.

In the capital, two grenades exploded in separate incidents, wounding two people.

## Ecuador And Peru Study Draft Of a Truce

**RIO DE JANEIRO** — The governments of Ecuador and Peru were studying a preliminary cease-fire accord Friday that could end clashes on their Amazon jungle border, a diplomat said.

Brazil's deputy foreign minister, Sebastião do Rego Barros, said it was "possible" to reach an agreement that would be acceptable to both countries.

The proposed accord, reached after three days of negotiations, has been sent to Lima and Quito for action as well as to the capitals of the four guarantor nations — Argentina, Brazil, Chile and the United States.

Mr. Rego Barros urged Peru and Ecuador to "put an end to this senseless war and to the useless loss of human lives." He would not disclose the contents of the accord.

At least 11 Peruvians and 5 Ecuadorians have been killed in the fighting, although scores may have died.

Peru claims to have killed 43 Ecuadorian soldiers and to have lost 11 of its men during the conflict. Ecuador says 33 soldiers have been killed, 28 of them Peruvians.

Fighting continued Thursday after Peruvian troops, backed by helicopter gunships and bombers, attacked Ecuadorian positions.

The dispute centers on a 340-square-kilometer (130-square-mile) area in the region known as the Cordillera del Condor, which has yet to be demarcated as called for in a 1942 treaty. Argentina, Brazil, Chile and the United States are the guarantors of the treaty, which ended a 10-day war in which Ecuador lost about half its territory to Peru.

Ecuador rejected the treaty in 1960, and border conflicts have often erupted near the Jan. 29 anniversary of the protocol.

The Rio talks came close to collapse Thursday, but then negotiators presented last-minute cease-fire proposals.

## 2d Witness Saw Men Near Simpson Site

**LOS ANGELES** — A new witness has come forth in the O.J. Simpson double-murder case to say that he saw four men near Nicole Brown Simpson's home the night she and a friend were slashed to death.

The witness, Leif Tilden, an actor and puppeteer who lives in the area where the slayings occurred, told investigators that he saw four men in the area between 10 and 10:30 P.M. the night Mrs. Simpson and her friend Ronald L. Goldman were slain.

Mr. Tilden said that he did not come forward earlier because he had not been following the case closely and thought that the killings had occurred hours later. He said he learned that they had taken place late on June 12 while watching opening statements in the case last week.

A lawyer for Mr. Simpson, Johnnie L. Cochran Jr., asserted in court on Friday that prosecutors had failed to turn over their interview with Mr. Tilden. But Christopher Darden, a prosecutor, said a representative of the district attorney's office had interviewed Mr. Tilden less than 24 hours earlier.

He added that Mr. Tilden said the four young men appeared to be college students.

Another witness who claimed to see four men in the area about the same time was Mary Anne Gorchas, whose credibility came under attack last week.

Deputy District Attorney Marcia Clark had called Ms. Gorchas "a known liar and a Simpson case groupie."

Mr. Darden said Mr. Tilden contacted prosecutors after he heard the trial's opening statements, which discussed Ms. Gorchas's account of four men.

"This isn't someone that we've known about for several weeks or several months," Mr. Darden said.

Mr. Tilden, when asked in an interview if he thought that the men he saw were involved in the killings, replied, "In my ... my gut, no."

But, he added, "I heard all this stuff about some woman who saw four guys and I knew,

and remember that I saw four guys walking up the alley."

He described the men as white and "clean cut," and said there was nothing strange or menacing about them.

Ms. Gorchas had described the men she saw as two whites and two Hispanics.

In another development in the trial Friday, former neighbors of Mrs. Simpson when she lived in another section of the area testified that they saw Mr. Simpson walking outside her home late one evening, apparently trying to look in.

One neighbor, Carl Colby, said he even called the police thinking the man might be a burglar, but then was "embarrassed" when he realized it was Mr. Simpson. The incident took place in April 1992, when the Simpsons were separated.

In his testimony, Mr. Colby said that Mr. Simpson "seemed to be hesitant and to be attempting to perhaps observe something that may have been occurring inside the house."

Mr. Colby's wife, Catherine Boe, said she saw the Simpsons argue bitterly and heard Mr. Simpson accuse his estranged wife of being romantically involved with other men.

Ms. Boe said she saw the couple arguing a couple of times, including once in a park when "I gather that he was angry at her thinking that she had been with another man," she testified. "And she was angry at him for being angry at her."

In other testimony, an officer who responded to a frantic 911 call from Mrs. Simpson in 1993 testified that he found her "visibly shaken" and Mr. Simpson agitated and upset. Sergeant Lerner also said his supervisor taped conversations with both Simpsons. He said he was unaware of the 30-minute tape until Thursday.

Lawyers said Mr. Simpson also did not know the tape existed, and only recently listened to it.

The testimony by the officer was part of an effort by prosecutors to demolish Mr. Simpson's good-guy image and establish a motive: that after years of abusing and degrading his wife, Mr. Simpson killed her in a jealous rage.

## CLINTON: Book Examines Tales of President's Past

**Continued from Page 1**

had been made and became a major issue when it surfaced in the 1992 campaign.

Mr. Maraniss's book is a broad character study of Mr. Clinton before he won the White House, focusing on the forces that shaped the 42d president from his boyhood in Arkansas to his decision to enter the 1992 race.

It is based on interviews with more than 400 people, including Mr. Clinton's friends, colleagues and relatives. Mr. Clinton declined to be interviewed for the book, but some material was drawn from five interviews that Mr. Maraniss had with Mr. Clinton during the 1992 presidential campaign.

Asked about Ms. Wright's description of her meeting with Mr. Clinton and Mr. Clinton's effort involving the ROTC letter, the White House press secretary, Michael McCurry, said: "These issues surfaced during the campaign and they were effectively dispensed with. I am not sure there is any real news here to comment on."

"First in His Class" presents a complex young man whose life before the presidency demonstrated many of the traits — intelligence, energy, passion for government and politics and new ideas — that Mr. Clinton exhibits today.

But it also presents another side of Mr. Clinton — someone who shared the truth, showed little personal discipline or focus, exhibited a volatile temper

and was perpetually reluctant to make decisions — that has been revealed during his presidency.

"With Bill Clinton, it is often tempting but usually misleading to try to separate the good from the bad, to say that the part of him that is indecisive, too eager to please and prone to deception is more revealing of the inner man than the part of him that is indefatigable, intelligent, empathetic and self-deprecating," Mr. Maraniss writes. "They coexist."

Mr. Maraniss writes in his preface that "First in His Class" was not intended to be "a book preoccupied with Clinton's sex life." But one of the threads that runs through the book is Mr. Clinton's political ambition, and a subtext is his effort to eliminate evidence of flaws that might come back to haunt him in a campaign.

Mr. Maraniss writes that Ms. Wright said she confronted Mr. Clinton about his affairs when he was considering a run for the presidency in 1988 because "she was convinced that some state troopers were soliciting women for him and he for them, she said."

Gary Hart had recently ended his candidacy for president after admitting an extramarital affair, and it was time, Ms. Wright said, for Mr. Clinton "to face the issue squarely."

She said she told Mr. Clinton, "I want you to tell me the truth about every one" of the

women, and described going over the list with him.

Ms. Wright, in her statement, said: "I think that David Maraniss may have misunderstood what I told him about the troopers. What I believe is that some of them solicited women for themselves, exploiting the fact that they worked for the governor."

"My recommendation that the governor not run for president in 1988 was based on my fear that, in the climate of Gary Hart, that liars and gold diggers would come out of the woodwork," she continued. "What I learned from my conversation with the governor was that the rumors were nothing in reality. My concern was for the impact that the rumors would have on Chelsea and Hillary."

In response to Ms. Wright's comments, Mr. Maraniss said Thursday night: "I interviewed Betsey Wright several times for my book and based my account of her dealings with Bill Clinton directly on what she told me during those interviews. Before the book's release, I met with her and read to her the sections related to her."

Her response at the time was that I had fairly and accurately reported what she had said," Mr. Maraniss said. "During the two years I spent working on this biography, I came to understand the complicated love-hate relationship between Betsey Wright and Bill Clinton, which seems to be in evidence again."

Michael Dirda is on the staff of The Washington Post.

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## AMERICAN TOPICS

### Pollution-Cancer Link Is Now Called Slight

A new study by the National Cancer Institute suggests that, contrary to the contentions of environmental activists, environmental hazards have little to do with cancer.

For more than two decades, some scientists have been predicting "an impending disaster of ever-increasing cancer rates," the institute's journal said in an editorial, but new findings "suggest it will not occur."

But just because pollutants may not be causing cancer does not mean they are harmless, some scientists say. "There are other health effects of chemicals in the environment," said Theo Colburn, a senior scientist at the World Wildlife Fund in Washington.



**TIMELY CHERUBIC THOUGHTS** — Nearly 10,000 of these "Love" stamps were sold within hours of going on sale this week at the post office in Valentines, Virginia.

#### Short Takes

Coffee, tea or takeoff? Bernadette Flanagan has become one of the few flight attendants ever to move up to the cockpit. Miss Flanagan, 31, was promoted to flight engineer and pilot by Florida-

based Carnival Air Lines after completing flight training school. She said she worked a full shift as a flight attendant, then changed uniforms and got back on the same plane. "One of the passengers said to me, 'What are you doing up front? You just served me coffee!'"

Golf is good for you because it is low in intensity and long in duration, says Darlene A. Sedlock, associate professor of physiology at Purdue University in West Lafayette, Indiana. She says a 150-pound (68-kilogram) male, walking around and pulling clubs on a set of wheels for 18 holes over four hours, will burn about 1,060 calories, or 600 calories more than if he did nothing for four hours. "On the other hand," she adds, "if you're riding in a cart with a cooler in the back, it's probably not going to help your health at all."

Catholicism Lite? That's what the new sign at St. James the Less Catholic Church in Highland, Indiana, had some people thinking. Confusion arose from the wording arrangement, which reads:

"St. James"  
"the Less"  
"Catholic"  
"Church"

The sign does not at all mean a watered-down brand of religion, said the Reverend Francis Lazar. The St. James in question was known as "the Less" because he was shorter and younger than his contemporary, who became known as St. James the Greater. The parish received hundreds of phone calls after the new sign went up in November. Father Lazar said the sign should have placed the saint's name all on one line to avoid confusion, but he has no plans to replace it.

International Herald Tribune.



## A Time Capsule Is Opened

PARIS — Imagine a bevy of reporters let loose in the not too distant past, at liberty to photograph famous figures of the arts and public life, from Victor Hugo to Johann Strauss. Add, for good measure, interiors with women wearing crinolines and views of unspoiled European countryside in the early phase of the industrial age, plus a couple of shots of the Crimean War in 1855.

All that, and more, could be seen in the time capsule that popped out of the blue last

SOUREN MELIKIAN

Saturday at the Hôtel Drouot. That day, in the most important sale of early photography ever at Drouot, Antoine Godéu auctioned off tens of thousands of photographs of the 1850s and 1860s. There were so many of them that Marc Pagneux, the Drouot expert assisting the auctioneer, gave up any thought of counting them.

As a prelude to the sale, there was a job lot of "approximately 15,000 pieces." The entry described these as "unclassified photographs" from the archive of André Adolphe Eugène Disderi. With only one day allowed for the viewing of a sale that ran to 193 lots, that gave it an element of whimsical surprise that is quintessentially French.

The story behind the sale is equally astonishing. The man who built up this collection, Maurice Levert (1858-1944), was the son of a French *prefet*. He was eager to join the army, but he lost an eye as a young man and was barred from achieving his dream. Failing that, he turned to collecting anything to do with the military: arms, armor, uniforms, flags — and photographs. His vast holdings of military memorabilia eventually entered the Musée de l'Armée as a bequest in 1944. But no one wanted the photographs, which remained with the family for another 50 years.

At the heart of the photograph collection was the fantastic archive of Disderi. For a decade, Disderi was the fashionable photographer to the French establishment. From June 1854, when he arrived in Paris, until about 1867, anyone who was anything in French society sat for him. Among other reasons accounting for his success, Disderi patented a process that allowed him to produce multiple portraits from a single glass plate. They were the size of a visiting card, and eight of them cost less than a single large-size print. The Parisians, who took to giving portraits of



A photo of Carolina Rosati fetched 44,800 francs.

themselves to impress friends and acquaintances, loved it.

Well organized, Disderi kept many albums with thousands of names inscribed under specimen photographs. Lot 1 alone in the Drouot sale included "tens of thousands of names," in the expert's words. In later years, Disderi proved unable to adjust to changing circumstances and went bust. The archive survived, passing into the hands of a General Rebora who, in turn, left it to Maurice Levert, whom he made the sole trustee of his estate.

Levert did not just keep the albums with the precious names. He added to them by sorting out and documenting thousands of unclassified Disderi prints at a time when many of the sitters were still remembered by relatives and friends. What turned up last Saturday was, among others, a kind of gigantic illustrated Who's Who of France, foreign visitors included, in the 1850s and early 1860s.

THERE was something surreal about this gallery of famous names. In one of the Disderi albums, one stumbled upon a sheet of multiple portraits of the academic woman painter Rosa Bonheur, whose star was just rising when Disderi photographed her in 1863. There she sits, massive and masculine, her broad square-jawed face wasting no time on unnecessary smiling.

Elsewhere, the cartoonist Cham, lanky and aristocratically nonchalant (in real life, he was Vicomte Ambroise de Noé)

stands with his head thrown back, giving the photographer a quizzical but not unkind look. Franz Liszt appears seated, sideways, as the perfect Romantic with very artistic hair swirling around his head. "Jean" (Johann) Strauss, merely identified as a "Viennese conductor," shown with a well-groomed mustache and beard, seems to fancy himself no end. Hotly disputed, the album climbed to 25,455 francs (\$4,840), with commission.

In another volume put together by Levert, the visiting-card-size prints by hosts of photographers look modest enough. But their evocative power is irresistible. Victor Hugo, seen by E. Bacot, is seated sideways on a simple chair without props, absorbed in his thoughts. Later, Pierre Petiet photographed the French writer full front looking earnest, almost anxious, with sympathetic eyes and a beard that make him look a bit like Abbé Pierre. The last shot shows him in old age, in the midst of poorly dressed working-class schoolchildren, standing on the steps of a staircase. The tired face is gaunt, almost distraught, his white hair, cropped short, standing on end. But there is a mix of protective concern, generosity and understanding radiates.

It would be hard to find a greater contrast than Théophile Gautier, the novelist, poet and art critic who thought so poorly of the Impressionists. Self-importance oozes out of every pore of his saturnine face, bearded and flamboyant. While Hugo denounced the dictatorship of Napoleon III, Gautier

had his ins and outs at court. An autograph of one of his poems is inserted in the album. It was written, a caption says, "for Princess Mathilde [the first cousin of Napoleon III] after an evening at Saint-Germain on 29 July 1866." One of America's leading dealers in early European photography, Harry Lunn of New York, made a valiant attempt to get the album, bidding up to 23,242 francs. But the Paris National Library stepped in to substitute itself to the last bidder.

So thoroughly convinced were the French museums of the importance of the material that in an unprecedented occurrence at auction, they acquired 91 out of 193 lots, roughly 40 percent in value of the 3.9 million franc sale. They got most of the albums, including those of Disderi. Lunn, bidding on behalf of American institutions, managed to get two of his fashion albums, the second one by resorting to a ruse. As bidding climbed from 10,000 to 20,000 francs, Lunn shouted "60,000" (66,404, with premium), which was a lot more than what the museums had been paying so far. Much later, his London-based American colleague, Robert Herszkowitz, helped by the auction fatigue from which the museums were suffering by then, managed to get a Disderi album dealing with the theatrical scene — 126 plates for only 18,815 francs.

FORTUNATELY for all, there were other photographs in the sale that had no documentary interest, among them landscapes by Olympe Aguado. A cart drawn by four oxen standing on an intensely lighted grassy patch against a backdrop of dark growth was a discovery. This masterpiece of early photography "has a good chance of being unique," Herszkowitz says of the salt print, which was bought for 34,309 francs by Michèle Chomette of Paris.

Another view by Aguado, with a vast expanse of water and spindly poplar trees, dates from about 1856. It heralds later Impressionist compositions. A French collector ran it up to 57,550 francs. Prices such as these are considered enormous by professionals. Even Roger Fenton's two views of Balaklava in 1855, admirably composed, were thought to be expensive when they sold together for 11,741 francs.

A decade from now, things will look different. For now, the greatest is available and players are few. As far as collecting early photography is concerned, we are still enjoying the last glow of the Golden Age.

## The Face of Hardship and Poverty

By Charles Hagen  
New York Times Service

NEW YORK — It is hard to imagine a more timely exhibition than "A Century Apart: Images of Struggle and Spirit," the provocative show now at the Museum of the City of New York. With poverty programs once again at the center of political debate, the museum's idea of pairing the work of Jacob Riis, the turn-of-the-century reformer, with that of five contemporary documentary photographers seems especially astute. Along with Riis, the photographers include Martine Barrat, Fred R. Conrad, Mary Ellen Mark, Margaret Morton and Jeffrey Henson Scales.

The show, which runs through Sept. 3, also gives the museum a chance to show off some of the incomparable Riis prints, negatives and other material in its collection. Most of the more than 60 works by Riis in the show are new contact prints of the original 4-by-5-inch glass negatives, made on a special kind of paper that was standard when the images were taken.

In the 1870s, Riis, a Danish immigrant who was a police reporter, became involved in efforts to improve the lives of the people who lived in the teeming slums of New York City. When a workable method of flash photography was invented in 1887, Riis took up the camera to dramatize the shocking conditions he found on the Lower East Side and elsewhere. His lectures, illustrated with glass lantern slides, drew large crowds, and he went on to publish a series of influential books, illustrated with both linecuts and halftone photographs.

Many of Riis's most famous and poignant images are here. "Bandit's Roost," a shot from around 1890 that shows the residents of a crowded alley, is presented as a lantern slide, in



Detail of Jacob Riis photo taken about 1890.

an unusual hand-colored version. And in a particularly memorable picture, a fresh-faced 12-year-old boy pulling threads from garments in a sweatshop is shown surrounded by grinning older men.

Other pictures describe a hidden continent of poverty, from ragpickers at riverside dumps to a family of cigar-makers who earned \$11.25 for rolling 3,000 cigars a week.

Adding to the sense of immediacy are the blunt style and crude technique of these sensa-

tional photographs. (Riis enlisted other photographers to take some pictures, and it's not always clear which images are his.) Riis often surprised his subjects with his open pan of magnesium flash powder; in one picture, the groggy residents of a 5-cent-a-night flophouse, roused from sleep, stare blankly at the camera.

For all the power of these images, though, what gives this show its punch is the pairing of Riis's pictures with those of photographers who

are recording similar conditions today. By themselves, Riis's photographs could be dismissed as old news and the work of the contemporary photographers could be brushed aside as biased. Seen together, the two sets of photographs describe a persistent problem that cuts across decades and ethnic groups.

The scope of the problem is suggested by Scales's eloquent photographs depicting the derelict buildings and empty lots of Harlem as if they were ruins in a city at war.

A major difference between Riis and his successors is that the contemporary photographers are more likely to approach their subjects with respect, and to acknowledge that the lives of the poor have their own sources of pride and pleasure. Barrat, for example, shows a girl standing in front of a city-owned building in Harlem, where she lives without heat or hot water. Far from appearing down and out, the girl bubbles with joy.

In a similar way, Morton's photographs of a Lower East Side shantytown emphasize the residents' resourcefulness and middle-class values; one man even built a fence with a gate around his neat shack.

Traditionally, reformist photographers like Riis tried to arouse middle-class viewers to pity or outrage, to spur them to demand an end to whatever social evil was depicted. But that sense of outrage is missing from much of the contemporary work.

Of course, today's photographers face a different political climate. Many in American society, weary of viewing images of poverty, are skeptical about attempts to do away with it. Given these circumstances, it seems that a lot of contemporary photographers are wary of taking on the role of social crusader, with the mission of convincing the middle class that poverty's bad effects can be alleviated. Such hesitations seem never to have entered Riis's mind.

## A Muse Pays Homage to Maillol

By Ginger Danto

PARIS — When he thought disconsolately that age had extinguished his strength to sculpt, Aristide Maillol (1861-1944) was urged by a friend to meet someone who apparently incarnated his oeuvre. It was 1934 and the then-esteemed French sculptor had already forged a new, narrative style that verged on abstraction.

He had scandalized Paris's 1905 Salon d'Automne with his first major nude, "Méditerranée," whose ample forms evoked rather than imitated the

body; he had prevailed through critical success, even from classicists such as Rodin. But at 72, he felt he had run out. In deference to his friend, however, he agreed to contact a certain sculptor, a "Parisienne."

"I am told that you resemble a Maillol and a Renoir," he wrote by way of invitation. "I would be satisfied with a Renoir."

At 15, Diana Vierny possessed the discipline of her immigrant parents who had left Odessa when she was 6, determined to make a life in France. But she was not without a sense of adventure, and set off for Maillol's Marly-le-Roi home one Sunday, without her parents' knowledge.

"Maillol used to receive Sunday mornings; I was told to look for whoever seemed the oldest," Vierny recalled recently. "I found that person and went up to him. It was the painter van Dongen."

"But Maillol had seen me. He called me over, showed me his house, his work. Later he asked me when I was free. Like all young people I was very pretentious. I said 'never.'"

And so began, on an artistic level, the courtship of Maillol and Vierny. He instantly found in her the muse he that had eluded him; she found a unique mentor, as well as entrée to the lively milieu of artists.

When their relationship was brutally ended by Maillol's death in a car accident, Vierny vowed to render homage to a collaboration that had availed modern 20th-century sculpture of some of its seminal masterpieces. Colluding circumstances, namely the inheritance of Maillol's estate, reinforced her commitment.

"I thought someday I would make a little museum. No, not a museum, really. Museums are cold. A home, rather. For Maillol and his friends," said Vierny, sitting in her cluttered parlor at 59 Rue de Grenelle. The building began as a convent, later housing a school, a cabaret, a *poissonnerie* and a hodge-podge of tiny apartments whose onetime tenants included Alfred de Musset. Now the motley collection of commerce and cramped dwellings have made way for the latest incarnation: the Musée Maillol, which has been under construction for 15 years.

"More like 30," snapped Vierny, who after donating 18 bronzes to the French state to adorn the Tuileries in 1964, was further convinced that Maillol merited a room of his own. Her steadfast goal remained to suitably present her collection — the largest ensemble of Maillols, including 400 sculptures, paintings, drawings, engravings and textiles.

Off a private courtyard, the museum lobby features monumental sculptures including "La Rivière" (1938-44), a fitting introduction to both Maillol and Vierny, who posed reclining, her head tilted back, her hand testing some invisible surface.

The second and third floor galleries demonstrate Maillol's versatility. Drawings uncanonically depict Vierny before as well as after she entered the artist's life, as do paintings of women in pastel landscapes reminiscent of the Nabis, with whom Maillol was associated. Miniature bronze and terra-cotta figures show how Maillol forecast the monumental. An ornamental wooden spoon, a mirror frame in the form of Leda, ceramic vessels and a cradle reveal a mastery of media that blended practicality with beauty.

LIKE Vierny's thoughts, the museum is organized according to sentiment rather than chronology, interspersed with works by Maillol's friends, for whom Vierny also posed through the 1940s. Here she is sun-dart, in Bonnard's sultry "Le Grand Nu Sombre." Here she is Japanese-eyed, in the lithic strokes of Matisse sketches affectionately dedicated to the sister. And here dwarfed by an inky interior, signed "Her good friend, Dufy."

Other spaces reflect Vierny's activities after modeling: the opening of her Left Bank gallery where she showcased, among others, contemporary Russian and *naïf* artists whose plump, doll-like subjects, once again, mimic their collector.

"I never thought I would do such a big thing as this. And it's only the beginning," said Vierny, waving wearily in the direction of a wing planned for her vast doll collection. "The dolls have been with me all along. They know what it is to be patient."

The Musée Maillol opens to the public on March 9.

Ginger Danto is a Paris-based journalist who specializes in the arts.



Diana Vierny at the Maillol Museum.

### ART EXHIBITIONS

#### INTERNATIONAL

Man Ray

#### Exhibitions:

Paris:  
Jeudi 9 février: 17h-21h  
Vendredi 10 février: 11h-21h  
Samedi 11 février: 11h-21h

14-16 Verneuil  
14-16 rue de Verneuil 75007 Paris

Sotheby's France  
3 rue de Miromesnil, 75008 Paris  
Contact: Andrew Strauss  
Tel: (1) 42 66 40 60

New York:  
23rd to 25th February: 10am to 5pm  
and 26th February: 1pm to 5pm

Sotheby's New York  
1334 York Avenue, New York, NY 10021  
Contact: John Tancock  
Tel: (212) 606 7260

London:  
17th to 22nd March: 9am to 4.30pm  
18th March: 10am to 5pm and  
19th March: 12 noon to 3pm

Sotheby's London  
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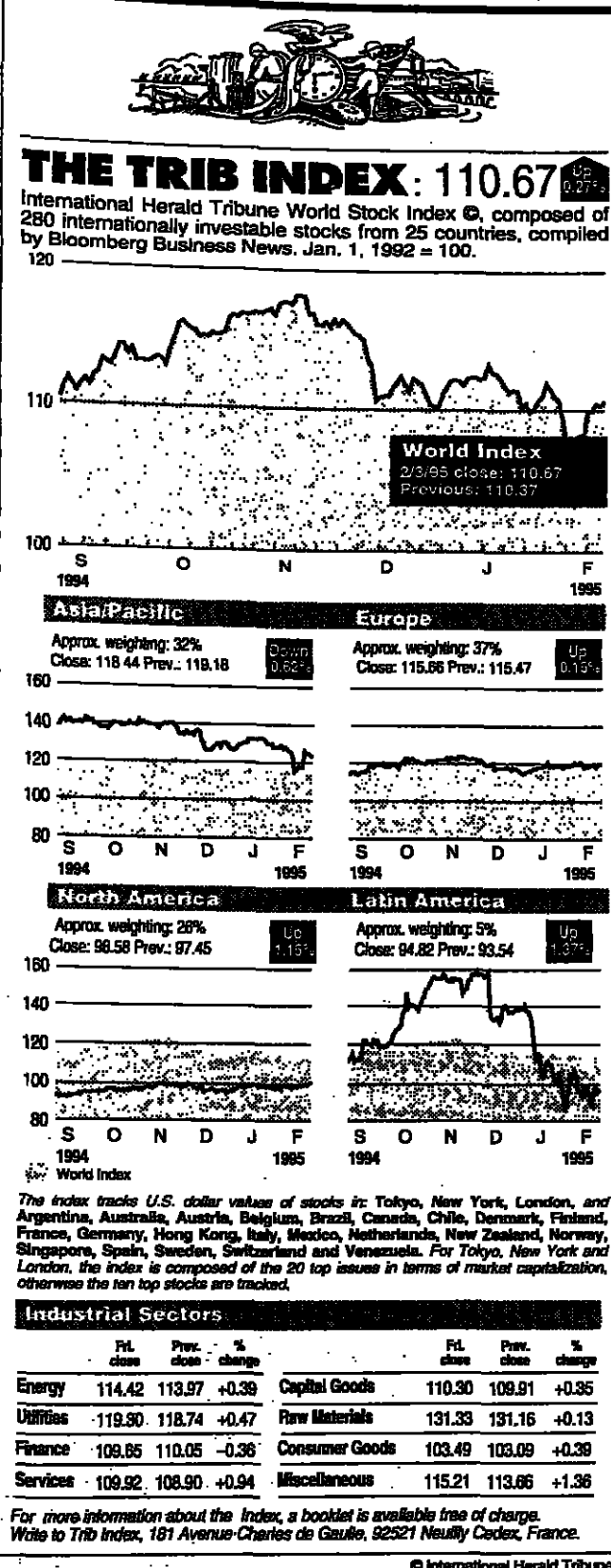
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## East Europe's Failure to 'Emerge'

### Speculative Foreign Money Has Moved Elsewhere

By Erik Ipsen  
*International Herald Tribune*

LONDON — Will the long shadow of the Mexican crisis cast the emerging markets and even the economies of Eastern Europe and the former Soviet Union into the deep freeze?

Battle-hardened foreign investors in those markets scoff at the notion. Unfortunately, they also concede that such anticipated market recovery only masks deeper failures in the region. Steven Bates, a London-based fund manager specializing in emerging markets, puts it most succinctly.

"I don't think there is much foreign money left in these markets," he said. "Everyone hates them."

Five years after the fall of the Berlin Wall, the region that was once billed as one of the hottest investment prospects on the globe has so far become something far closer to the dud developing market of the decade.

Mr. Bates of Fleming Investment Management and others point to market skids that began last spring and that have left exchanges in the region nursing a loss of about 50 percent in asset prices. What little hot foreign money entered those markets has departed, they say.

Left behind is a cadre of steel-unbent foreign investors able to stare unblinked at such seeming setbacks as war in Chechnya and constitutional crises in Poland. Economists, meanwhile, note that even in the best of times those volatile portfolio flows fell far short of original expectations.

That shortfall has been even more pronounced — and damaging — when it comes to foreign direct investment, the long-term funds needed to help modernize the region's phones and roads, to snap up promising companies and to create new ones. It is the sort of capital

**"This is a region that includes 25 countries, and yet the total foreign direct investment last year was roughly equal to Mexico's \$6 billion."**

Ricardo Lago, deputy chief economist, EBRD

economists insist is needed by the tens of billions of dollars if the region is ever to close the development gap with the West.

"This is a region that spans 12 time zones, includes 400 million people in 25 countries, and yet the total foreign direct investment last year was roughly equal to Mexico's \$6 billion," said Ricardo Lago, deputy chief economist at the European Bank for Reconstruction and Development, which was set up four years ago to spur development in the region.

And that \$6 billion pales into insignificance compared with the \$28 billion estimated to have flowed into China in 1993.

"It poses real problems in a region where there was great hope that Western capital would do everything," said Hans Holzhaecker, head of East European research for Giro Credit Bank in Vienna.

Analysts fault everything from chronic political uncertainty to a simple lack of capacity to absorb foreign capital.

You have to remember that four years ago these countries did not have banks, much less debt and equity markets," said Dan Lubash, an emerging market analyst at Merrill Lynch in London.

Even today, such a relatively advanced equities market as Hungary's has only 14 officially listed companies. The Czech Republic boasts only 29. While shares in far greater numbers of unlisted companies are also traded in both countries, volumes are thin and pricing uncertain.

"Even if you wanted to invest in the region, it can take months to build up positions," said James Lister-Cheese, an analyst with Independent Strategy.

While many analysts see much of the hot money having been washed out of markets from Prague to Moscow, they see longer-term investors as holding firm. What is more, managers like Mr. Bates insist that share prices in the region have reached levels so low that they are wading back into the markets with their checkbooks.

Others take heart at continuing, albeit uneven, progress by the region's governments in efforts to remake their economies.

See EMERGING, Page 8

## Markets Gain On Jobless Rise

### Investors Celebrate Signals That Economy Is Calming

Compiled by Our Staff From Dispatches

WASHINGTON — Stocks and bonds soared Friday as investors celebrated what normally would not be good news: The Labor Department said U.S. unemployment had risen for the first time in a year.

The markets interpreted the report as a sign that rapid growth in the U.S. economy had finally abated, allowing the Federal Reserve to take a break after pushing interest rates higher seven times in the last year.

"The economy is slowing to a no-boom, no-bust pace," said Hugh Johnson, chief investment officer at First Albany Corp. "The chances of the Federal Reserve being seduced into raising interest rates too high are a lot less today than a week ago."

The Labor Department said the U.S. unemployment rate rose to 5.7 percent as companies hired fewer workers than in any month in the last year.

The jobless rate was 5.4 percent in December — the lowest in four years — and had not been as high as January's rate since it stood at 5.7 percent in October.

January's increase of 134,000 jobs was down from 210,000 in December and the smallest gain since 101,000 last January. It reflected slow hiring in service industries, the government said, while factories continued to add workers at a rapid pace.

Traders said the news may have sparked a long-lasting bond rally. The price of the benchmark 30-year Treasury bond rose 1 1/32 to 98 17/32, bringing its yield down to 7.62 percent from 7.74 on Thursday.

The benchmark bond yield has not been that low since Sept. 8. For investors, the key development was the realization that the Fed's campaign over the last year to slow the economy and

contain inflation was working. That meant the Fed's half-point increase in the overnight bank lending rate on Wednesday to 6 percent was likely to be the last for months.

Fed policymakers "can go to Caribbean for a little while and get some sun," said Robert Derick, an economist at Northern Trust Corp. in Chicago. "They have no choice but to sit back and wait."

The stock market soared as much as 70 points after the report. The Dow Jones industrial average closed 57.87 points higher at 3,928.64. Advancing issues outnumbered declining ones on the New York Stock Exchange by more than a 3-to-1 margin.

"Once the train starts to leave the station, everyone jumps on board," said First Albany's Mr. Johnson. "That's how small movements become big jumps."

At the White House, Laura D'Andrea Tyson, President Bill Clinton's chief economic adviser, said it was too early to say whether the economy was slowing. She added that January unemployment figures were often misleading because of "seasonal factors" that were difficult to adjust for. "It's hard to know precisely the size of those factors," she said.

The report contained some signs that inflation could become a threat. Average hourly earnings rose 7 cents last month — the largest gain since an 8-cent rise in October.

Some analysts questioned whether the Fed's campaign over the last year to slow the economy and

contain inflation was working. That meant the Fed's half-point increase in the overnight bank lending rate on Wednesday to 6 percent was likely to be the last for months.

Fed policymakers "can go to Caribbean for a little while and get some sun," said Robert Derick, an economist at Northern Trust Corp. in Chicago. "They have no choice but to sit back and wait."

## Metall Suit Says Ex-Chief Caused Crisis

Compiled by Our Staff From Dispatches

FRANKFURT — Metallgesellschaft AG said Friday it would sue Heinz Schimmelbusch, the company's former chief executive, for 25 million Deutsche marks (\$16 million), charging him with breach of duty and other infractions.

The lawsuit, filed in Frankfurt District Court, also seeks 2 million DM in damages from the company's former chief financial officer, Meinhard Forster.

The company said that the two men, who were dismissed Dec. 17, 1993, had breached their obligations as company officers, resulting in at least 2.7 billion DM in losses for Metallgesellschaft.

"They have caused what is in its dimensions and financial consequences certainly the most serious corporate crisis in German postwar history," the lawsuit said.

The suit charges Mr. Schimmelbusch and Mr. Forster with allowing an irresponsible expansion of oil-futures trading. It also says they permitted Metallgesellschaft to enter into a commercial arrangement with an American concern, Castle Energy Corp., that hurt the company.

The lawsuit also faults Mr. Schimmelbusch for the purchase of a house in Frankfurt and renovation of an apartment in New York at company expense.

In January, Mr. Schimmelbusch filed a multimillion-dollar lawsuit in New York alleging that Deutsche Bank AG, Germany's biggest bank, and Metallgesellschaft had carried out a "systematic campaign of defamation" against him.

The loss from oil futures was put at 1.6 billion DM in 1993 alone, while the loss from Castle Energy contracts was put at 1.1 billion DM.

Bloomberg, Reuters, AP

## ECONOMIC SCENE

### The Fed Opts for Disclosure

By John M. Berry  
*Washington Post Service*

WASHINGTON — The Federal Reserve Board, after years of saying that immediate announcements of its monetary-policy changes would disrupt financial markets and undermine its effectiveness, formally decided this week to go public.

In a statement released Thursday, the Fed said its policy-making committee, the Federal Open Market Committee, had decided to make permanent a practice of announcing its decisions that it had been using on a trial basis for a year.

"In some infrequent circumstances," the statement added, "the committee might decide to issue a statement even when no policy action is taken."

When the Fed raised short-term interest rates Feb. 4, 1994, for the first time in five years, it uncharacteristically chose to announce the change. Before then, financial-market participants had to figure out for themselves what the Fed had done, based on how much cash the Fed was supplying to the banking system. Fed officials cautioned at the time that announcements might or might not follow future meetings.

Nevertheless, at each of the eight policy-making sessions since then, the Fed either announced rate changes, or, if no change was made, said there would be no announcement. On the one occasion when Fed Chairman Alan Greenspan used his own authority to raise rates between meetings, that was also announced.

Representative Henry B. Gonzalez, Democrat of Texas, the senior Democrat on the

House Banking Committee who has pressed the Fed to be more open in its deliberations, called the decision "a victory." But Mr. Gonzalez said he would reintroduce legislation requiring the policy-making committee to make videotapes of its discussions and to make them public promptly.

Despite some of the earlier Fed fears, there has been no sign of any market disruption as a result of announcing the policy changes. Many financial analysts and traders have welcomed the shift.

While the Fed policy-making committee was still considering whether to make the change permanent, some of its members made it clear they liked the new approach.

"I feel pretty comfortable with the disclosure process," Thomas Hoenig, president of the Kansas City Federal Reserve Bank, said recently.

In an indirect reference to the pressure from Mr. Gonzalez, Mr. Hoenig said the shift "takes care of the debate on the issue that was contentious."

By making the announcements, the Fed also dealt with the problem of leaks to reporters about unannounced decisions. At one point, Mr. Greenspan warned FOMC members there would be an investigation if unauthorized disclosures did not stop.

The FOMC also agreed this week to make public edited transcripts of its meetings — after five years. In 1993, the existence of tapes of meetings from the late 1970s to the present, a secret even from most FOMC members, became known as a result of inquiries by the House Banking Committee. Transcripts of the tapes covering the period from mid-1986 through 1988 have since been released.

## Nippon Trust To Write Off Its Bad Debts

Compiled by Our Staff From Dispatches

TOKYO — Nippon Trust & Banking Co., the ailing affiliate of Mitsubishi Trust & Banking Ltd., announced Friday it would write off a large chunk of nonperforming loans in the second half of its current year.

A official of Nippon Trust, Japan's seventh largest bank, said the write-off of more than 200 billion yen (\$2 billion) by March would significantly reduce declared nonperforming loans for the year, but he declined to project the final figure.

The move came one week after Sumitomo Bank Ltd., Japan's fourth largest bank, predicted a loss of 280 billion yen for the year because of a major write-off to cover bad loans.

Japan's 21 top banks are still saddled with 13 trillion yen in bad loans, primarily from real-estate deals, assumed during the nation's speculative "bubble" economy in the late 1980s.

Nippon Trust reported a loss of 459 million yen for the six months ended Sept. 30.

Separately, the Ministry of Finance said a local credit association would absorb the troubled Yuai Credit Union this year.

(Knight-Ridder, Bloomberg, AFP)

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	Yen	Swiss	French	Italian	Spanish	Other
Australia	1.28	0.65	1.35	160	1.35	1.35	1.35	1.35	1.35
Canada	0.72	0.35	0.75	90	0.75	0.75	0.75	0.75	0.75
Denmark	6.46	3.10	6.50	79	6.50	6.50	6.50	6.50	6.50
France	6.55	3.15	6.55	79	6.55	6.55	6.55	6.55	6.55
Germany	1.93	0.93	1.93	230	1.93	1.93	1.93	1.93	1.93
Italy	1.36	0.65	1.36	160	1.36	1.36	1.36	1.36	1.36
Japan	106.58	51.75	106.58	12.74	106.58	106.58	106.58	106.58	106.58
Netherlands	2.20	1.05	2.20	267	2.20	2.20	2.20	2.20	2.20
New Zealand	1.35	0.65	1.35	160	1.35	1.35	1.35	1.35	1.35
Portugal	200.48	96.64	200.48	24.36	200.48	200.48	200.48	200.48	200.48
South Africa	12.50	6.00	12.50	150	12.50	12.50	12.50	12.50	12.50
Sweden	8.46	4.05	8.46	101	8.46	8.46	8.46	8.46	8.46
Switzerland	1.48	0.70	1.48	177	1.48	1.48	1.48	1.48	1.48
Taiwan	23.63	11.40	23.63	284	23.63	23.63	23.63	23.63	23.63
UK	0.65	0.31	0.65	78	0.65	0.65	0.65	0.65	0.65
US	1.00	0.50	1.00	120	1.00	1.00	1.00	1.00	1.00

Eurocurrency Deposits									
	Dollar	DM	Swiss	French	Italian	Spanish	Other	Yen	ECU
1 month	4 1/4	4 1/4	3 3/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
3 months	4 1/4	4 1/4	3 3/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
6 months	4 1/4	4 1/4	3 3/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4
1 year	4 1/4	4 1/4	3 3/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

Key Money Rates									
	US\$	£	DM	Yen	Swiss	French	Italian	Spanish	Other
1-month Treasury bill	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
3-month Treasury bill	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
6-month Treasury bill	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
1-year Treasury bill	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
1-month Treasury note	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
3-month Treasury note	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
6-month Treasury note	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
1-year Treasury note	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8	5 1/8
1-month Government bond	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4

## AUSTRALIAN LOTTERY

### Using This System You Get 11,088 Chances to Win a MILLION DOLLAR JACKPOT

You're GUARANTEED to Win a Share of Up to 150 Million Dollars Over the Next 12 Weeks.

Over the next 12 weeks, the AUSTRALIAN LOTTERY will be giving away up to 150 million dollars in prize money. We guarantee you'll win a share of this... (you play our system).

What makes our system successful? The secret is simple. You play in a GROUP. You join 139 other players in a GROUP ENTRY PLAN...so you play together and win together. This way you can afford far more entries than you could play by yourself. Your individual prize amounts may be smaller, but you have a better chance of winning the big prizes and you win more often.

For a stake of US\$3.32 a week for 12 weeks you can have 2,250 chances to win a multi-million dollar prize, and for a stake of US\$12.42 a week you get 11,088 chances to win. Every one of these chances can win you one of the BIG JACKPOTS.

These BIG JACKPOT PRIZES in the AUSTRALIAN LOTTERY are never less than 2 million dollars and they go as high as 14 million dollars...in tax-free, lump sum cash.

When your Group gets six numbers correct out of 45, you not only share in MILLIONS from the top prize but you also share in all the smaller cash prizes as well. You can win again and again during your 12 weeks of play with the same or different number combinations.

All you need to do is choose how many CHANCES TO WIN you want to have...

Our REGULAR PLAN gives you 210 different number combinations and 2,520

CHANCES TO WIN. The DE-LUXE PLAN gives you 924 different number combinations and 11,088 CHANCES TO WIN.

In other words, you get so many chances, you're guaranteed to win something!

It's easy to join a GROUP PLAN

It's easy to join in, too. Your group's number combinations are selected for you by a specially programmed computer. Every number combination that's entered will be different - and all holders of Shares in the Group will share the winnings if you hit a MULTI-MILLION DOLLAR JACKPOT!

When you enter you'll be sent an ENTRY CONFIRMATION CERTIFICATE showing the numbers your Group has been allocated and the date of your first entry. Every month you'll be sent a list of winning numbers so you can see how you're doing.

The winning numbers are announced every Saturday at 8:30 p.m. on Australian television and published in leading newspapers the following day. You can always call our HOTLINE numbers in Brisbane and London whenever you want to check the winning numbers for yourself.

Indicate which GROUP PLAN you would like to join and how many CHANCES TO WIN you want by ticking the box in the ENTRY FORM below.

The size of any one Group is limited to 140 shares, but you can have more than one Share in your Group if you want to keep more of the prize monies for yourself. Complete and return the ENTRY FORM below as soon as you can for your best chance to share in one of the AUSTRALIAN LOTTERY MULTI-MILLION DOLLAR JACKPOT PRIZES.

This Year the AUSTRALIAN LOTTERY Will Give Away Over US\$200,000,000 in Cash Prize Money.

AUSTRALIAN LOTTERY OFFER



FREE DOUBLE BONUS When You Enter the AUSTRALIAN LOTTERY DE-LUXE GROUP PLAN

BONUS NO. 1: FREE TICKET in an Australian Government AS20,000 "Scratch n' Win" Lottery.

BONUS NO. 2: FREE TICKET in the Australian Surf Lifesavers Draw. TOP PRIZE: AS\$250,000

When you enter the DE-LUXE GROUP PLAN you earn a FREE Ticket in an Australian State Government "Scratch n' Win" Lottery with a chance to win ONE OF the thousands of prizes worth up to AS\$50,000. You also get a FREE Ticket in the Australian Surf Lifesavers Draw. This can win you a Luxury Apartment overlooking the beach, an SSK Men's Club Replica or a 28' Caribbean Bertram Cruiser and other prizes. The numbers on the Draw Ticket you're allocated will be sent you with your Lottery ENTRY CONFIRMATION CERTIFICATE.

You must send in your Entry Form below within 30 days to qualify for the DOUBLE BONUS.

## AUSTRALIAN LOTTERY GROUP PLAN ENTRY FORM

To: PACIFIC PLAYERS AGENTS I/F 15 Leichhardt St., Spring Hill, Brisbane, Queensland 4000, AUSTRALIA Fax: (61) 7 331 0039

YES: I'd like to enter the AUSTRALIAN LOTTERY for a chance to win a Multi-Million Jackpot prize in a GROUP PLAN. My computer will select the numbers and I'll receive an ENTRY CONFIRMATION CERTIFICATE showing the numbers selected and the starting date. I've ticked at right the GROUP PLAN I want to play and the number of Shares I want in my GROUP.

Please charge my credit card for



## MARKET DIARY

## Jobs and Bonds Give Dollar a Lift

Compiled by Our Staff From Dispatches  
NEW YORK — The dollar surged Friday against other major currencies as stock and bond market rallies spurred demand for the U.S. currency.

## Foreign Exchange

The dollar benefited from an overall positive feeling about U.S. assets, said Tom Hoge, vice president of corporate trading at the Bank of New York.

Strong demand for U.S. securities often bolsters the dollar because foreign investors must purchase the securities with U.S. currency.

The dollar closed at 1.5270 Deutsche marks, compared with 1.5180 DM on Thursday, and at 99.850 yen, after 99.425 yen.

It also closed at 1.2935 Swiss francs, up from 1.2848 francs, and at 5.2930 French francs, up from 5.2610 francs.

The pound closed at \$1.5635, down from \$1.5825.

The dollar dipped briefly after the employment report

damped speculation that the Federal Reserve Board would raise interest rates again soon after its 50 basis-point increase Wednesday.

"People feel the Fed's tightening is over for the time being, which has had a positive effect on stocks and bonds," said Jim Raphael, a trader at NatWest Bancorp.

David Brown, chief European economist at Bear Stearns, said, "Bonds are helping the dollar for a change, as opposed to weaker bonds dragging the dollar under."

But some traders looking for signs of inflation pointed to a 7-cent increase in average hourly earnings to \$11.32, the largest increase since an 8-cent jump in October, as evidence that inflation remains a concern.

"The economic numbers were a mixed bag," said Lisa Finstrom, an analyst at Smith Barney. "The pace of job creation is declining, but everything else looked healthy. They suggest that the U.S. economy is still strong."

Against the Mexican currency, the dollar weakened to 2.5750 pesos from 2.5550 pesos Thursday. (Bloomberg, AP, Reuters)

## STOCKS: Dow Soars as Jobs Slow

Continued from Page 7

whether the employment picture was as weak as the government figures suggest. Signals that the economy is losing momentum," said Robert Dederick, an economic consultant.

## U.S. Stocks

with the Northern Trust Co. in Chicago. "But I don't think it answers it. It could be an aberration."

In another economic report, the Commerce Department said orders to U.S. factories rose 1.7 percent in December and helped drive up orders for the year 10.2 percent — the biggest annual increase in 15 years. Excluding the defense industry, however, factory orders rose just 0.4 percent in December after increasing 2.8 percent in November. (Bloomberg, AP)

## Cyclical Issues Gain

Stocks sensitive to swings in the economy — so-called cyclical issues — led the Dow's rise, Bloomberg Business News reported.

Aluminum Co. of America rose 3/4 to 83 1/2, and Caterpillar rose 1/4 to 53.

Shares of banks, brokerages and insurance companies also rose amid optimism their profit margins will not narrow with higher interest rates.

J.P. Morgan, a Dow component, rose 1 1/2 to 63 1/2.

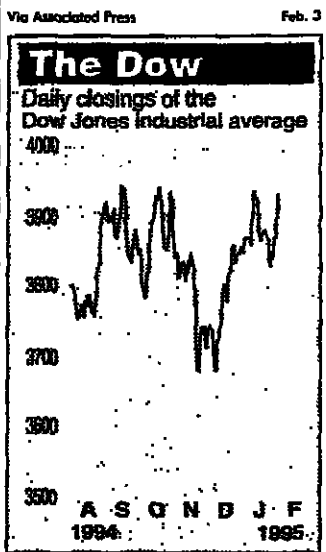
The rally in financial stocks was "perhaps we've seen a conclusion to the Fed tightening," said Dave Rolfe of Wedgewood Partners Inc.

American depositary receipts representing shares in Telefonos de Mexico, the most active issue on the New York Stock Exchange, rose 1/4 to 34 1/4.

Technology stocks rose for a third straight day as the outlook for stable growth raised the prospect of continued spending by consumers and businesses on computers and other capital equipment, traders said.

Intel, the most active stock on the Nasdaq exchange, rose 1 1/2 to 73 1/2. The company reported reduced prices some of its microprocessors Thursday.

McDonald's shares rose 1/4 to 54 1/4 after the company said it would continue to buy back as much as 18 million shares. The stock gained 7 percent this week. (Bloomberg, AP)



NYSE Most Active	Vol.	High	Low	Close	Chg.
IBM	12,454,321	124.50	124.00	124.25	+0.25
Microsoft	10,123,456	54.50	54.00	54.25	+0.25
Apple	8,765,432	45.50	45.00	45.25	+0.25
Oracle	7,654,321	35.50	35.00	35.25	+0.25
Amazon	6,543,210	25.50	25.00	25.25	+0.25
Yahoo	5,432,109	15.50	15.00	15.25	+0.25
Google	4,321,098	10.50	10.00	10.25	+0.25
Facebook	3,210,987	5.50	5.00	5.25	+0.25
Twitter	2,109,876	3.50	3.00	3.25	+0.25
LinkedIn	1,098,765	2.50	2.00	2.25	+0.25

NASDAQ Most Active	Vol.	High	Low	Close	Chg.
Intel	12,454,321	73.50	73.00	73.25	+0.25
Microsoft	10,123,456	54.50	54.00	54.25	+0.25
Apple	8,765,432	45.50	45.00	45.25	+0.25
Oracle	7,654,321	35.50	35.00	35.25	+0.25
Amazon	6,543,210	25.50	25.00	25.25	+0.25
Yahoo	5,432,109	15.50	15.00	15.25	+0.25
Google	4,321,098	10.50	10.00	10.25	+0.25
Facebook	3,210,987	5.50	5.00	5.25	+0.25
Twitter	2,109,876	3.50	3.00	3.25	+0.25
LinkedIn	1,098,765	2.50	2.00	2.25	+0.25

AMEX Most Active	Vol.	High	Low	Close	Chg.
Goldman Sachs	12,454,321	124.50	124.00	124.25	+0.25
Morgan Stanley	10,123,456	54.50	54.00	54.25	+0.25
JP Morgan Chase	8,765,432	45.50	45.00	45.25	+0.25
Bank of America	7,654,321	35.50	35.00	35.25	+0.25
Wells Fargo	6,543,210	25.50	25.00	25.25	+0.25
Citigroup	5,432,109	15.50	15.00	15.25	+0.25
US Bancorp	4,321,098	10.50	10.00	10.25	+0.25
PNC Financial	3,210,987	5.50	5.00	5.25	+0.25
TD Bank	2,109,876	3.50	3.00	3.25	+0.25
Capital One	1,098,765	2.50	2.00	2.25	+0.25

Market Sales	Today	Prev.
NYSE	1,234,567,890	1,234,567,890
NASDAQ	987,654,321	987,654,321
AMEX	543,210,987	543,210,987

Dow Jones Averages	Open	High	Low	Close	Chg.
Indus.	29,420	29,444	29,377	29,424	+77
Transp.	1,094	1,094	1,094	1,094	+18
Comp.	1,094	1,094	1,094	1,094	+18

Standard & Poor's Indices	High	Low	Close	Chg.
Industrials	564.45	563.25	563.25	+5.6
Utilities	143.10	142.80	142.80	+1.0
Healthcare	1,094.00	1,094.00	1,094.00	+1.0
SP 500	4,271.00	4,271.00	4,271.00	+5.6

NYSE Indexes	High	Low	Close	Chg.
Composite	2,012.00	2,012.00	2,012.00	+3.9
Technology	2,012.00	2,012.00	2,012.00	+3.9
Finance	2,012.00	2,012.00	2,012.00	+3.9

NASDAQ Indexes	High	Low	Close	Chg.
Composite	772.46	772.46	772.46	+8.0
Technology	772.46	772.46	772.46	+8.0
Finance	772.46	772.46	772.46	+8.0

AMEX Stock Index	High	Low	Close	Chg.
Composite	461.4	461.4	461.4	+3.9
Technology	461.4	461.4	461.4	+3.9
Finance	461.4	461.4	461.4	+3.9

Dow Jones Bond Averages	Close	Chg.
20 Bonds	104.43	+0.29
10 Industrials	104.43	+0.29

NYSE Diary	Close	Prev.
Advanced	187	125
Declined	428	191
Unchanged	29	36

AMEX Diary	Close	Prev.
Advanced	32	28
Declined	710	28
Unchanged	10	14

NASDAQ Diary	Close	Prev.
Advanced	199	173
Declined	129	138
Unchanged	511	114

Spot Commodities	Today	Prev.
Aluminum	0.946	0.946
Crude Oil	21.00	21.00
Gold	427.00	427.00
Silver	1.094	1.094
Wheat	1.094	1.094
Corn	1.094	1.094

EUROPEAN FUTURES	High	Low	Close	Chg.
3-MONTH STERLING (LIPF)	1.5270	1.5270	1.5270	+0.0020
3-MONTH EURO (LIPF)	1.5270	1.5270	1.5270	+0.0020

Metals	High	Low	Close	Chg.
Gold	427.00	427.00	427.00	+0.00
Silver	1.094.00	1.094.00	1.094.00	+0.00
Copper	1.094.00	1.094.00	1.094.00	+0.00

Financial	High	Low	Close	Chg.
3-MONTH STERLING (LIPF)	1.5270	1.5270	1.5270	+0.0020
3-MONTH EURO (LIPF)	1.5270	1.5270	1.5270	+0.0020

Stock Indexes	High	Low	Close	Chg.
FTSE 100 (LIPF)	2,012.00	2,012.00	2,012.00	+3.9
DAX (LIPF)	2,012.00	2,012.00	2,012.00	+3.9

Dividends	Company	Per Annu	Div	Pay
Amgen	Amgen	1.00	1.00	1.00
Amgen	Amgen	1.00	1.00	1.00

REVERSE STOCK SPLIT	Company	Per Annu	Div	Pay
Amgen	Amgen	1.00	1.00	1.00
Amgen	Amgen	1.00	1.00	1.00

INITIAL	Company	Per Annu	Div	Pay
Amgen	Amgen	1.00	1.00	1.00
Amgen	Amgen	1.00	1.00	1.00

REGULAR	Company	Per Annu	Div	Pay
Amgen	Amgen	1.00	1.00	1.00
Amgen	Amgen	1.00	1.00	1.00

INDUSTRIALS	High	Low	Close	Chg.
Aluminum	0.946	0.946	0.946	+0.00
Crude Oil	21.00	21.00	21.00	+0.00
Gold	427.00	427.00	427.00	+0.00

## EMERGING: All but Steadiest Foreign Investors Have Fled East Europe

Continued from Page 7

long-term financing arm of the European Union.

Traditionally, foreign direct investment hinges on one of two assumptions — that labor costs are low enough to make a country a good base for export-oriented production or that local markets are large and rich enough to merit tapping into.

"Labor costs in Eastern Europe are one-tenth of what they are in the EU," Mr. Steinhilber said. "East European banks are not quite as productive, but

it is certainly not one-tenth as productive."

Market size poses a more difficult hurdle. With the exceptions of Russia and Poland, the region is conspicuously short of the kind of markets that afford manufacturers economies of scale.

Mr. Labash points out, for instance, that both Hungary and the Czech Republic have populations roughly equal to that of metropolitan Moscow.

But when it comes to measuring not population but the size

of the region's economies and the buying power of its citizens, some fault the numbers themselves.

Mr. Lago notes that the total gross domestic product of all 25 countries in the region is only twice Spain's output. What is more, he calls the figures for monthly wages in the region — \$20 in Ukraine, \$85 in Estonia and even \$194 in Poland — "ridiculously low."

Mr. Lago says such seemingly anomalous figures can be traced back to a single cause —

grossly undervalued exchange rates. He says that a combination of economic growth in the region, which is expected to exceed that of Western Europe for years to come, and a gradual rise in the real exchange rates of regional currencies adds up to anything from a doubling to a quadrupling of the region's measured economy over the next decade.

While many analysts scoff at such predictions, there remains considerable optimism that several countries in the region are well on the way to the investment mainstream — to becoming

Europe's next Spain and Portugal.

"They have got to become part of the general European investment universe and not red-lined as exotic emerging markets," said Matthew Olekszykowski, managing director for the brokerage firm Schroder Polska in Warsaw.

In terms of trade, that move into the European mainstream is well along the way. Some Eastern European nations, such as Poland and the Czech Republic, ship 75 percent of their exports to the West, mostly to the European Union.

## WORLD STOCK MARKETS

Agencies: Reuters, Feb. 3

## Amsterdam

Class	Prev.	High	Low	Close	Chg.
ABN AMRO	29.80	29.80	29.80	29.80	+0.00
Alcatel	109.00	109.00	109.00	109.00	+0.00
ASML	109.00	109.00	109.00	109.00	+0.00
Delta	109.00	109.00	109.00	109.00	+0.00
Heineken	109.00	109.00	109.00	109.00	+0.00
Philips	109.00	109.00	109.00	109.00	+0.00
Shell	109.00	109.00	109.00	109.00	+0.00
Unilever	109.00	109.00	109.00	109.00	+0.00
Vodafone	109.00	109.00	109.00	109.00	+0.00
Woolworth	109.00	109.00	109.00	109.00	+0.00

## Brussels

Class	Prev.	High	Low	Close	Chg.
ABN AMRO	29.80	29.80	29.80	29.80	+0.00
Alcatel	109.00	109.00	109.00	109.00	+0.00
ASML	109.00	109.00	109.00	109.00	+0.00
Delta	109.00	109.00	109.00	109.00	+0.00
Heineken	109.00	109.00	109.00	109.00	+0.00
Philips	109.00	109.00	109.00	109.00	+0.00
Shell	109.00	109.00	109.00	109.00	+0.00
Unilever	109.00	109.00	109.00	109.00	+0.00
Vodafone	109.00	109.00	109.00	109.00	+0.00
Woolworth	109.00	109.00	109.00	109.00	+0.00

## Frankfurt

Class	Prev.	High	Low	Close	Chg.
ABN AMRO	29.80	29.80	29.80	29.80	+0.00
Alcatel	109.00	109.00	109.00	109.00	+0.00
ASML	109.00	109.00	109.00	109.00	+0.00
Delta	109.00	109.00	109.00	109.00	+0.00
Heineken	109.00	109.00	109.00	109.00	+0.00
Philips	109.00	109.00	109.00	109.00	+0.00
Shell	109.00	109.00	109.00	109.00	+0.00
Unilever	109.00	109.00	109.00	109.00	+0.00
Vodafone	109.00	109.00	109.00	109.00	+0.00
Woolworth	109.00	109.00	109.00	109.00	+0.00

## Helsinki

Class	Prev.	High	Low	Close	Chg.
ABN AMRO	29.80	29.80	29.80	29.80	+0.00
Alcatel	109.00	109.00	109.00	109.00	+0.00
ASML	109.00	109.00	109.00	109.00	+0.00
Delta	109.00	109.00	109.00	109.00	+0.00
Heineken	109.00	109.00	109.00	109.00	+0.00
Philips	109.00	109.00	109.00	109.00	+0.00
Shell	109.00	109.00	109.00	109.00	+0.00
Unilever	109.00	109.00	109.00	109.00	+0.00
Woolworth	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
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Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
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Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.00	109.00	+0.00
Yield	109.00	109.00	109.		



## Crédit Lyonnais Will Accelerate Its Asset Sales

Compiled by Our Staff From Dispatches

PARIS — Crédit Lyonnais said Friday it planned to step up asset sales to try to win a second major rescue package from the government, and a newspaper report said the bank's asset sales could double.

The bank, which sold 12 billion French francs (\$2.3 billion) of assets in 1994 in return for 4.9 billion francs in cash aid from the government, has been negotiating with the French Treasury for several weeks for a fresh bailout to cover losses incurred in 1994.

One official with knowledge of the negotiations between the bank and the government said, "There will obviously be large asset sales in return for an even larger guarantee by the state."

The bank's target for 1994 asset sales was 10 billion francs, and it has set a similar minimum for 1995.

The French daily Le Figaro reported that Crédit Lyonnais might have to double the planned asset sales for the two years, to 40 billion francs, as part of a new bailout being discussed with authorities.

The government is expected to reveal a major rescue plan for Crédit Lyonnais next month after the bank announces what is expected to be a huge 1994 loss.

A financial daily, La Tribune Desfosses, said that one plan under consideration would involve spinning off more than 100 billion francs of loans into a separate unit. The unit would comprise both performing loans and doubtful ones. That would enable the bank to take

bad loans off of its books and thus avoid making damaging loss provisions.

That could reduce the size of the government bailout.

The newspaper said that the plan, by mixing good debt with bad under the separate unit, would prevent people from knowing just how serious the bank's problems had become.

In March 1994, the state gave the bank 4.9 billion francs of fresh capital and an 18.4 billion franc guarantee to a special vehicle set up to take 43 billion francs of doubtful debts off the bank's balance sheet.

Crédit Lyonnais agreed at the time to sell 20 billion francs of assets by the end of 1995 and has already sold off about half that amount.

The bank made 17.8 billion francs of provisions against doubtful loans for 1993, contributing to a record net loss for a French bank of 6.90 billion francs.

The bank's holdings, all of which could be put up for sale, include a 20 percent stake in Aerospaciale SA, the state-controlled aerospace company, and 20 percent of the state-owned steelmaker Usinor Sacilor SA.

Crédit Lyonnais has said it is prepared to sell retail banking units outside Europe, primarily in South America and Africa.

French newspaper reports said the government was eager to come up with a plan that would deflect accusations of wasting taxpayers' money ahead of presidential elections set for this spring.

(Bloomberg, Reuters)

## Benetton Battles Rebels

### Its Ads Anger German Store Owners

By Nathaniel C. Nash

New York Times Service

KASSEL, Germany — The windows of Heinz Hartwich's four clothing stores here have blood-red tape blocking out the name of his former supplier, the Italian clothing manufacturer, Benetton Group SpA.

At the center of the X's formed by the tape, a sign in German reads: "No more Benetton, because we condemn the scandalous advertising using misery, war, sickness and death."

Benetton's advertisements, which have shown, for example, a man's arm tattooed with the words "HIV Positive," have also prompted protests in France, Italy, Britain and the United States in recent years.

A French court has ordered Benetton to pay \$32,000 in damages to French people infected with the HIV virus for the "HIV positive" ad. The company said it would appeal.

The court in Paris said Wednesday the campaign was an abuse of freedom of expression and "a provocative exploitation of suffering."

But Benetton's ads have provoked the most conspicuous backlash in Germany recently.

Because of the company's provocative print and billboard advertisements, Mr. Hartwich says, customers have boycotted his store and cost him almost \$600,000 in lost sales in the last year. That is why, he said, he refused to pay for an equal amount of merchandise from Benetton and tried to sever relations with the company.

"If I continued selling Benetton clothes, I would go bankrupt," said Mr. Hartwich, who has been sued by the clothes maker for not paying his bills.

Mr. Hartwich was one of about 70 German Benetton licensees who met in January in Mainz to discuss what to do about a drop of more than 30 percent in sales at almost 150 Benetton outlets licensed among them. They blamed public protests over Benetton's advertisements for the decline.

The company's advertisements, which are produced in-house, have in recent years included pictures showing a war cemetery, an oil-soaked seabird, a dying AIDS patient, child labor in South America and, most recently, the bloody uniform of a Croatian

soldier. Some of the ads have appeared in Europe but not the United States.

Some other Benetton store owners from Italy, Spain, France and Sweden also attended the meeting of the "rebels," as members of the group called themselves.

"It is using human tragedy and suffering to sell clothes; I think that's totally cynical and without feeling," said Ulfert Engels, a Kassel

"If I continued selling Benetton clothes, I would go bankrupt."

Heinz Hartwich, Benetton licensee

lawyer who is defending Mr. Hartwich against the lawsuit by Benetton. "If you are against child labor, poverty, war, fine, take out all the ads you want. But don't put your company logo on it."

Mr. Engels now represents more than 50 Benetton retailers in Europe, most of them German, and said he was getting about two new clients a day. He said some of his clients had received death threats or had their store windows smashed with rocks.

"Mr. Engels is trying to generate a trial by media," said Maria Galante, a spokeswoman for Benetton. She said other Benetton store owners in Germany were complaining that the bad publicity was hurting their sales.

Benetton officials at the company's headquarters in Treviso, Italy, contend that the retail uprising in Germany was provoked by the store owners' own financial problems and mismanagement, not by Benetton's advertisements. Sales have not fallen as far as the licensees report, the company said, but have actually risen when measured in terms of numbers of clothing items bought.

For Benetton, the protests and prospect of a long court battle come as the company's profit has been damped by price-cutting and recession on the Continent. Germany, its largest European market, had about 600 shops as recently as three years ago. There are now about 500, according to the dissident owners.

## Dalgety Buys Line Of Pet Food In Europe

Compiled by Our Staff From Dispatches

LONDON — Dalgety PLC said Friday it had bought the European pet-foods business of Quaker Oats Co. for \$442 million (\$700 million).

Chairman Maurice Warren said the move had boosted Dalgety's share of the European pet-food market to at least 27 percent, trailing Mars Inc.'s 40 percent. Dalgety is getting key brands, including Felix cat foods and Fido dog foods, to add to its Spillers line, which includes Arthur's Choice Chunks for cats and Prime for dogs.

The company said it would fund £186 million of the purchase through a 1-for-4 rights issue of new shares at 335 pence each. It also plans to sell Golden Wonder, which makes snack foods, and Homebrand Foods, which specializes in cooking sauces, for £300 million.

Dalgety outbid Nestle SA. The Swiss maker of Friskies pet foods has 6 percent of the European market, which is twice the size of its baby-food market.

Dalgety's chief executive, Richard Clothier, called the purchase "a very good deal for Dalgety, achieved at less than one times annual sales," which came to £518 million in 1994.

The European credit-rating agency IBCA said it had placed Dalgety's long-term debt rating of 'A' on rating watch "with negative implications" because of concern about its rising debt.

Dalgety's stock closed up 23 pence, at 419.

(AP, Reuters, Bloomberg)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2300	2800	2100		
2200	2700	2000		
2100	2600	1900		
2000	2500	1800		
1900	2400	1700		
1800	2300	1600		
1700	2200	1500		
1600	2100	1400		
1500	2000	1300		
1400	1900	1200		
1300	1800	1100		
1200	1700	1000		
1100	1600	900		
1000	1500	800		
900	1400	700		
800	1300	600		
700	1200	500		
600	1100	400		
500	1000	300		
400	900	200		
300	800	100		
200	700	0		
100	600	0		
0	500	0		
Exchange	Index	Index	Open	Change
Amsterdam AEX			412.54	+0.77
Brussels Stock Index			2,113.67	+0.77
Frankfurt DAX			2,267.95	+0.82
Frankfurt FAZ			758.74	+0.41
Helsinki HEX			1,946.81	+1.87
London FTSE 100			2,318.70	+0.77
London FTSE 400			3,058.70	+0.82
Madrid General Index			285.38	+0.47
Milan MIBTEL			10,025	+0.83
Paris CAC 40			1,842.46	+1.45
Stockholm SMI			1,596.18	+0.78
Vienna VIENINDEX			988.88	+0.73
Zurich SMI			3,127.77	+0.91

### Very briefly:

- Daimler-Benz Aerospace AG is expected to announce Thursday a venture with Avior, Russia's biggest avionics company.
- Mercedes-Benz AG said it was planning a 720 million Deutsche mark (\$474 million) joint venture with Ulyanovskiy Avtomobilny Zavod, a Russian vehicle maker, to build transport vans.
- Union des Assurances de Paris reaffirmed that 1994 profit would be higher than 1993's and that second-half provisions would be much higher than in the first half to cover property investments made by its affiliate Banque Worms.
- Alusuisse-Lonza Holding AG said 1994 net profit more than doubled, to more than 200 million Swiss francs (\$156 million), helped by the purchase of the Canadian packaging company Lawson-Mardon Group Ltd.
- Rhône-Poulenc SA is expected to announce 1994 net profit of as much as 1.5 billion French francs (\$285 million), up from 1993, and a 10 percent rise in sales because of improved operations and cost-cutting, a source close to the French chemical company said.
- Air Inter, the French airline, posted a 1994 profit, its first in four years, of 21 million francs, reversing a loss of 185 million francs in 1993.

(Bloomberg, AP, Reuters, AFP)

## NYSE

Friday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Stock	Div	Yld	PE	52	High	Low	Lowest	Close
120	110	100	IBM	3.00	4.5	15	120	110	100	90	110
120	110	100	Microsoft	0.00	0.0	15	120	110	100	90	110
120	110	100	Apple	0.00	0.0	15	120	110	100	90	110
120	110	100	Oracle	0.00	0.0	15	120	110	100	90	110
120	110	100	Sun	0.00	0.0	15	120	110	100	90	110
120	110	100	HP	0.00	0.0	15	120	110	100	90	110
120	110	100	Intel	0.00	0.0	15	120	110	100	90	110
120	110	100	Motorola	0.00	0.0	15	120	110	100	90	110
120	110	100	Texas Instruments	0.00	0.0	15	120	110	100	90	110
120	110	100	Advanced Micro Devices	0.00	0.0	15	120	110	100	90	110
120	110	100	Linear Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	National Semiconductor	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell International	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Automation	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Software	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Systems	0.00	0.0	15	120	110	100	90	110
120	110	100	Rockwell Technology	0.00							











**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value. It is updated twice a year.

12-month Low Water Stock	Dw	Yg	Pa	Bo	High	Low	Least	Chrg
18	15	15	15	15	15	15	15	15
19	15	15	15	15	15	15	15	15
20	15	15	15	15	15	15	15	15
21	15	15	15	15	15	15	15	15
22	15	15	15	15	15	15	15	15
23	15	15	15	15	15	15	15	15
24	15	15	15	15	15	15	15	15
25	15	15	15	15	15	15	15	15
26	15	15	15	15	15	15	15	15
27	15	15	15	15	15	15	15	15
28	15	15	15	15	15	15	15	15
29	15	15	15	15	15	15	15	15
30	15	15	15	15	15	15	15	15
31	15	15	15	15	15	15	15	15
32	15	15	15	15	15	15	15	15
33	15	15	15	15	15	15	15	15
34	15	15	15	15	15	15	15	15
35	15	15	15	15	15	15	15	15
36	15	15	15	15	15	15	15	15
37	15	15	15	15	15	15	15	15
38	15	15	15	15	15	15	15	15
39	15	15	15	15	15	15	15	15
40	15	15	15	15	15	15	15	15
41	15	15	15	15	15	15	15	15
42	15	15	15	15	15	15	15	15
43	15	15	15	15	15	15	15	15
44	15	15	15	15	15	15	15	15
45	15	15	15	15	15	15	15	15
46	15	15	15	15	15	15	15	15
47	15	15	15	15	15	15	15	15
48	15	15	15	15	15	15	15	15
49	15	15	15	15	15	15	15	15
50	15	15	15	15	15	15	15	15
51	15	15	15	15	15	15	15	15
52	15	15	15	15	15	15	15	15
53	15	15	15	15	15	15	15	15
54	15	15	15	15	15	15	15	15
55	15	15	15	15	15	15	15	15
56	15	15	15	15	15	15	15	15
57	15	15	15	15	15	15	15	15
58	15	15	15	15	15	15	15	15
59	15	15	15	15	15	15	15	15
60	15	15	15	15	15	15	15	15
61	15	15	15	15	15	15	15	15
62	15	15	15	15	15	15	15	15
63	15	15	15	15	15	15	15	15
64	15	15	15	15	15	15	15	15
65	15	15	15	15	15	15	15	15
66	15	15	15	15	15	15	15	15
67	15	15	15	15	15	15	15	15
68	15	15	15	15	15	15	15	15
69	15	15	15	15	15	15	15	15
70	15	15	15	15	15	15	15	15
71	15	15	15	15	15	15	15	15
72	15	15	15	15	15	15	15	15
73	15	15	15	15	15	15	15	15
74	15	15	15	15	15	15	15	15
75	15	15	15	15	15	15	15	15
76	15	15	15	15	15	15	15	15

[illegible]

NATIONAL HERALD TRIBUNE											
12 Month	High	Low	Stock	Div.	Yld	PE	Ratio	High	Low	Latest	Open
2054	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2055	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2056	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2057	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2058	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2059	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2060	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2061	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2062	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2063	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2064	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2065	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2066	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2067	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2068	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2069	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2070	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2071	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2072	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2073	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2074	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2075	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2076	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2077	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2078	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2079	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2080	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2081	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2082	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2083	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2084	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2085	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2086	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2087	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2088	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2089	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2090	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2091	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2092	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2093	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2094	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2095	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2096	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2097	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2098	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2099	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2100	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2101	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2102	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2103	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2104	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2105	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2106	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2107	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2108	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2109	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2110	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2111	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2112	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2113	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2114	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2115	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2116	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2117	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2118	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2119	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2120	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2121	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2122	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2123	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2124	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2125	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2126	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2127	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2128	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2129	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2130	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2131	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2132	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2133	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2134	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2135	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2136	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2137	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2138	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2139	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2140	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2141	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2142	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2143	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2144	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2145	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2146	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2147	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2148	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2149	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2150	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2151	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2152	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2153	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2154	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2155	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2156	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2157	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2158	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2159	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2160	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2161	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2162	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2163	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2164	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2
2165	17%	12%	Enbridge		4.00	15	1.5	25 1/2	24 1/2	25 1/2	25 1/2

[illegible][illegible][illegible]

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. *Via The Associated Press*

[illegible][illegible][illegible]

Year	12 Month High-Low	Div	Yld	P/E	52 Wk High	52 Wk Low	Market Cap
1972	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1973	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1974	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1975	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1976	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1977	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1978	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1979	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1980	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1981	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1982	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1983	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1984	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1985	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1986	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1987	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1988	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1989	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1990	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1991	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1992	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1993	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1994	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1995	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1996	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1997	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1998	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
1999	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2000	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2001	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2002	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2003	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2004	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2005	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2006	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2007	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2008	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2009	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2010	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2011	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2012	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2013	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2014	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2015	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2016	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2017	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2018	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2019	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2020	14 1/2	1.00	17	11	11 1/2	11 1/2	11 1/2
2021	14 1/2	1.00					

Date	12 Month High/Low Stock	12 Month		36 Month		High	Low	Limit
		Div	Yld	PE	10K			
12/28/78	Perma	1.80	7.3	12	12	24	17 1/2	17 1/2
12/27/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/26/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/25/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/24/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/23/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/22/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/21/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/20/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/19/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/18/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/17/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/16/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/15/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
12/14/78	Perma	1.12	7.3	13	11	41 1/2	27 1/2	27 1/2
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Series figures are unaffected. Very early highs and lows reflect the previous 12 weeks plus the current week, but not the latest available monthly stock or stock dividend data. Consistent at least 6 percent or more has been paid. The year's high-low range based on the highest and lowest dividends declared during the year. Dividends omitted; ranked, ranks of dividends are annual distributions based on the following:

- a = dividend due arrears
- b = dividend rate in dividend plus stock dividend.
- c = fluctuating dividend.
- d = called.
- e = new yearly low.
- f = dividend declared or paid in preceding 12 months.
- g = dividend in Canadian funds, ahead by 15% non-yielding.
- h = dividend declared after sell-up or stock dividend.
- i = dividend declared after stock sold, declined, or no action taken.
- j = dividend declared in preceding five years, on accumulation basis.
- k = new bid in the past 2 years.
- l = new bid in trading.
- m = new bid in the past 2 weeks. The high-low range begins with the new bid.
- n = dividend declared.
- o = dividend declared or paid in preceding 12 months, also called.
- p = stock split. Dividend begins with date of split.
- q = old.
- r = dividend paid in stock in preceding 12 months, estimated.
- s = dividend in dividends ex-distribution date.
- t = new yearly high.
- u = with warrants.
- v = if bankruptcy or receivership or being recognized as insolvent.
- w = preferred shares or securities assigned by such assets.
- x = when distributed.
- y = when issued.
- z = with warrants.

Legend:  
+ = dividend or ex-rights.  
- = without warrants.  
= = without warrants.

Notes:  
- = no dividend or sales in full.  
- = no dividend.

**FIRST COLUMN**  
**Absolute?**  
**It's Always -**  
**Relative**

For Investors  
Of Money—

[illegible]



FIRST COLUMN

# Absolute? It's Always Relative

THE financial world is littered with snappy, superficially attractive marketing concepts that do little to further our understanding of what goes on out there. But what these epithets undoubtedly are good at is persuading us to part with our money.

Let's consider one example from the equity markets: In the mid-1980s, when some brokers were becoming nervous about the rampant bull runs of stock markets, a quick-fix pacifier had to be found. And so the concept, lovingly and carefully marinated in absurdity, of "the weight of money" was born.

The beauty of the idea was that it partially acknowledged the truth, to wit, that the markets were indeed overvalued. But then it went on to claim that shares would continue to rise because of such factors as the savings plans that were feeding money into the market every month. The weight of money argument had it that there was nowhere for inherited wealth, left-over income, or spare capital in general to go but into the markets. Thus the money would settle, ineluctably attracted by the gravitational force of the market.

But when the markets fell like a stone it became clear that money will settle just about anywhere — gold, cash, wine — providing the resting place does not frighten the investor.

The hedge and derivatives fund industry produced its own concept to soothe frayed nerves when these funds were soaring upward in 1993. The gains being seen, investors were told, were "absolute performance." There was little or no correlation with the wild, erratic movement of share prices. Absolute returns were a function of the managers' ability to take value from the market and control risk.

And then the U.S. authorities raised interest rates. Absolute returns proved to be absolutely as subject to the vagaries of interest rates as shares were. Let's hope, after a tough 1994, that these funds will do well in the dispirite of this week's 0.5 percentage point U.S. interest rate rise. Relatively speaking, of course.

M.B.

## As Bonds Wilted, Some Managers Quietly Raked In Profits

By Rupert Bruce

CONVENTION has it that the hedge and managed futures fund business took a severe beating in the bond market meltdown last year, but the reality is quite different. In fact, while some of the most celebrated managers suffered heavy and high-profile losses, many less well-known managers quietly turned in respectable returns for 1994.

The result is that as we enter 1995, the "absolute return" school of investment management is going from strength to strength. More and more, talented investment professionals are setting up their own operations or joining existing ones. What distinguishes them from traditional managers is that they seek to make money for their investors year after year, regardless of whether the markets they trade go up or down.

The expansion is centered on the more glamorous hedge-fund side of the business. George P. Van, chairman of Van Hedge Fund Advisors, a hedge fund consultancy based in Nashville, Tennessee, estimates there are about 3,000 U.S. hedge funds and that the number is increasing at 20 percent a year.

"The snowball keeps rolling and gathering weight," he said, "and we do not really see any change in that."

But 1994 was in many ways a watershed.

John Demaine, a director of Sabre Fund Management, a London-based futures-fund manager, characterizes it as a year when investors remembered that these funds were not just about high rewards, they could also carry high risks. He says clients are not just looking for high rewards now, they want low volatility as well. This, he believes, is a healthy development.

During 1993, many hedge-fund managers turned in returns in excess of 50 percent, while futures-fund managers generally managed less impressive returns of about 10 percent. Investors and many managers grew rich on the speculative bond market bubble.

By the beginning of 1994, George Soros, Michael Steinhardt and Julian Robertson of Tiger Management — three of the biggest New York hedge-fund managers — were virtually household names not just in the United States, but in parts of Europe as well.

Paul Tudor Jones, a futures-fund manager who had started to use hedge-fund-type strategies as well, was another treated as a demi-god in investment circles. When the bubble burst and the bond markets

### Hedge Fund Winners and Losers

A selection of hedge funds and how they performed.

Fund or fund company	Principal	Investment capital (Dec. 31)	Net return to investors 1993	1994
Soros Fund Management	George Soros	\$ 11.0 billion	+ 67.4%	+ 3.0%
Tiger Management	Julian H. Robertson Jr.	6.0 billion	+ 61.0	- 9.0
Quantum Fund (Soros Fund Man.)	George Soros	5.0 billion	+ 67.0	+ 2.9
Steinhardt Partners	Michael Steinhardt	2.7 billion	+ 38.4	- 33.0
Odyssey Partners	Leon Levy, Jack Nash	2.2 billion	+ 88.8	+ 8.5
Omega Advisors	Leon Cooperman	1.9 billion	+ 62.7	- 24.0
Long-Term Capital Management	John W. Meriwether	1.5 billion	n.a.	+ 20.8
Kingdon Capital Management	Mark Kingdon	1.0 billion	+ 40.2	- 2.4
Platinum Asset Management	Kerr Neilson	500 million	n.a.	+ 20.8
Strome Susskind	Mark Strome	460 million	+ 134.0	- 31.0
Kyriakos Associates	James S. Chanos	300 million	+ 44.0	+ 44.5
Wyser Pratte & Co	Guy Wyser-Pratte	270 million	16.6	+ 9.0
Regent Pacific FM	Jim Mellon	260 million	n.a.	+ 22.0
Dickstein & Company	Mark Dickstein	250 million	+ 35.0	+ 10.2
NY Partners	John H. Debs	80 million	+ 24.7	+ 5.5
Argonaut Cap. Management	David Gerstenhaber	50 million	+ 16.0	- 24.0
Escholar Partners	Dan Winkler	13 million	n.a.	+ 33.8

Sources: NYF, Bloomberg, NYF

collapsed in 1994, however, many of their performances went with them.

According to their own estimates, Tiger Management's three hedge funds were all down about 9 percent on the year, while Steinhardt Partners' two funds each retreated about 30 percent. Soros Fund Management's un-audited figures show that the net asset value of the flagship Quantum Fund was actually up 2.9 percent. But as frightened investors sold, so the premium between the price and the net asset value dissolved and, according to Microcap's statistics, the price fell 16 percent.

By contrast, many of the specialized managers did well. To name but two: Long-Term Capital Management, the bond arbitrage hedge fund started by a former Salomon Brothers vice chairman, John Meriwether, made a return of 20 percent for investors. Kerr Neilson, formerly head of Bankers Trust Asset Management's retail-funds group in Australia and a stock picker, made 20 percent for his investors at Platinum Asset Management, based in Sydney, in the 11 months since he started at the beginning of last year.

The wealthy individuals, Swiss banks, U.S. "family offices," and funds of funds who invest with hedge-fund managers rewarded good performance with new funds to manage, while poor performance was punished by redemptions. Platinum now has about \$500 million under management, Steinhardt Partners saw its funds under management fall from \$4.7 billion to \$2.6 billion.

Funds of funds managers say that poor rewards from some of the so-called macro-managers, like Tiger and Steinhardt, which employ virtually any strategy to make money in any market, plus a couple of spectacular disasters, have aroused a distaste for highly leveraged securities among

hedge-fund investors, a desire for more regular information, and an appreciation of the old investment maxim: Understand what you are buying.

The unfortunate experience of David Askin, a manager of mortgage-backed securities, is instructive. He lost in short order much of a \$600 million portfolio, and subsequently filed for bankruptcy.

"People are clearly getting back to their knitting," said David Ginsberg, managing director of Global Asset Management's multimanager group, one fund of funds manager.

Mike Foley, director of client services at Strome Susskind, a San Francisco manager which followed up a 134 percent rise in 1993 with a 31 percent drop in 1994, said: "We have narrowed our focus. We are not playing the story of the week, we are only doing what we are really compelled by. I think that before we bought more and more into some of the ideas that other

### Hedge and Derivative Funds

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The small investor's universe

people used instead of what we do best. We are back to concentrating on situations where there is big change going on."

In the futures-fund business, 1994 was one in a series of disappointing years. The TASS Managed Futures Index fell 2.5 percent. It rose 11.4 percent in 1993, a year when investment managers of all types did well, 0.6 percent in 1992, and 11 percent in 1991.

Nicola Meaden, managing director at TASS Management, a London-based supplier of investment-fund statistics, said: "Managed futures have not had a good year since 1990. I think you will find that the majority of managers fall into the technical trend following category. They have generally commented that the markets have changed which makes it less easy for them to make money."

"There are so many of them doing similar things that they have almost become victims of their own success. You might have 200 traders chasing a similar move because they are all doing similar analyses and so on."

As a result, the managed futures side of the business is less buoyant and some futures-fund managers have merged. This gives them economies of scale, because it takes similar back-office systems and costs to manage funds under management of \$250 million as it does to manage \$500 million.

Meanwhile, tomorrow's hedge-fund tycoons continue to leave the financial giants that dominate Wall Street and the rest of the world. In the last few weeks, Sushil Wadhvani, an equity strategist, has left Goldman Sachs to join Paul Tudor Jones, and Robert Citron, a well-known fixed income manager, has quit Fidelity Investments for Tiger.

As long as the going rate for hedge-fund management remains 2 percent of funds under management plus 20 percent of all profits made that is likely to remain the case. Fees like that can make you very rich. If you are a manager, that is.

The Money Report is edited by  
Martin Baker

## For Investors, a Source Of Worry — and of Risk

By Iain Jenkins

FINANCIAL regulators were not the only people alarmed by the huge losses chalked up by hedge funds and banks in derivatives markets after the bond market crash of last year. Switchboards of many mutual-fund managers were jammed with calls from anxious investors wanting to know if their funds used derivatives.

Understandably, investors were worried that their fixed-income, equity or emerging-market fund had also been caught out by derivatives. Fidelity, the giant Boston fund group, responded to the concern by sending out an educational pamphlet to its investors explaining the kinds of derivatives used by its portfolio managers.

Fidelity's swift action helped reassure most of its clients but the pamphlet surprised some investors. They thought that their bond fund invested in U.S. Treasuries, Deutsche mark bonds or British gilts but they discovered that it also used "structured notes," "interest-rate futures," "currency forwards" and other exotic products.

Fidelity is not alone in using derivatives. Most fund managers use derivatives as tools to reduce risk. Some use them aggressively to increase returns if their view of interest rates or equity market movements is right. American mutual funds are more comfortable with these instruments than European portfolio managers.

Laura Llos, an analyst at Morningstar, a Chicago-based fund performance company that is starting to monitor derivative usage, said that on average bond funds have 5 percent of their portfolio invested in derivatives. Some get as high as 15 percent. However, equity funds, have on average under 1 percent in derivatives.

Miss Llos added: "A lot of bond funds were holding derivatives over the past year and this had a negative impact on perfor-

mance. Today, if anything, managers are worried about frightening investors if they use derivatives and many may use them less in the future."

According to Morningstar, the \$106 billion IAI growth and income fund fell 4.8 percent last year with 2 percent of these losses due to derivatives contracts. On the other hand, Gateway Index Plus, another growth and income fund, which uses options to take a defensive "hedged" strategy, rose 5.6 percent last year, thanks largely to options.

Guillaume Pelli, on the derivatives team at Bankers Trust, said: "There seems to be a shift in emphasis. This year fund managers want to use derivatives as a risk management tool rather than a way of hunting improved returns. Many suffered losses last year and we have seen a lot of interest in all kinds of hedging strategy."

A common way that funds use derivatives to reduce risk is to cover potential currency devaluations when they invest in non-U.S. dollar assets. Last year the fall in the Turkish and Mexican currencies against the dollar salvaged the performance of dollar investors. But even this safety-first strategy carries risks.

Richard Fentin, portfolio manager of Fidelity Puritan Fund, which is designed to maximize income, tried to cut his risk by using "forward foreign currency" derivatives to protect the value of his Japanese equity investments against the possibility of the yen falling against the dollar. His prudent strategy backfired.

Mr. Fentin, says: "Unfortunately, the value of these currency contracts declined because the dollar weakened against the strengthening yen. It's true that the fund would have been better off if I hadn't hedged the yen, but I wasn't willing to make that move and expose the fund to currency risk. I should note that I only use foreign currency hedges if I think a foreign currency is seriously mispriced."

Many mutual funds were caught out by the dollar weakness last year and it has sparked a debate in the industry about the



use of hedging strategies. "A lot of people take the view that if an investor doesn't like a particular market all they have to do is sell the fund. It is not the job of the fund manager to hedge the market," said Tony Fraher, managing director of Singer & Friedlander, a fund manager in London.

Derivatives are also used by fund managers as a way of getting exposure to a market quickly. During the boom in mutual fund purchases in 1993 portfolio managers often didn't want to rush into picking stocks as money flooded into their funds. Instead, they used "stock index futures" such as options on the S&P 500 or the Mexican index.

Another innovative use of "stock index futures" is an approach used by Martin Sheffield, the portfolio manager of the Singer & Friedlander Taipan Fund, which invests in Asian markets. His strategy is in response to high dealing costs in Hong Kong, which make it very expensive to sell equities before the market turns down and then repurchase them at a later date.

One of the more aggressive uses of derivatives has been in the area of "structured notes" or "indexed securities." These are customized investment products that can be designed to take advantage of an investment view held by a portfolio manager. It is a leveraged product that can be dangerous if it goes wrong.

Overall, the performance of many of the banks, hedge funds, companies and mutual funds using derivatives does not appear to have enhanced returns by much and in some cases has led to spectacular losses.

## Are the Markets Beyond Regulation?

By Aline Sullivan

DERIVATIVES have become the bane of the 1990s. Private investors, alarmed by the burgeoning use of derivatives, not only by banks in their dealings with other banks but also by mutual funds and regional government authorities, have been clamoring for tighter legislative controls on these volatile instruments.

In the United States in particular, public confidence has been badly shaken by some spectacular cases of derivative deals gone wrong. Investors in Procter & Gamble, the consumer goods giant, learned the hard way last year how the stock market's value of a company may nosedive after an apparently smart derivatives deal by its treasurer's department turns sour.

Other forms of risk are even more alarming. Mutual funds may branch out into highly geared derivatives in an attempt to improve an otherwise lackluster performance. Although regulations limit the proportion of a fund's assets that can be allocated to derivative instruments, not all fund managers remember to inform their investors that such an investment has been made.

But banking and dealing associations question whether new laws are the answer.

In the United States, where the pressure for legislation is greatest, the banks are mounting a vigorous rearguard action, claiming it would be counterproductive.

"This is an evolving industry and we don't want our hands tied," said a member of one such group. "There should certainly be more self regulation but more legislation would mean irrational constraints and ultimately more risk for investors."

Legislators are buying the professional's argument, at least for now. Many believe that the off-the-counter derivatives market is almost impossible to regulate anyway. But time is running out for advocates of the laissez-faire approach.

Earlier this week, Andrew Crockett, the general manager of the Bank for International Settlements, warned the World Economic Forum in Davos, Switzerland, that inappropriate regulation will soon restrict derivative products unless financial institutions assuage investors' and legislators' concerns.

That message resonates strongly with bankers who are eager to fend off further legislation. Guy Evans, chairman of the International Swaps and Derivatives Association and a managing director of Bankers Trust in London, pointed out that derivatives cannot be regulated as a single product because a transaction can

encompass several areas of the financial markets: foreign exchange, equities and commodities, for example.

"Derivatives allow financial products to be combined and dismantled to solve companies' problems," said Miss Evans. "Legislators realize that there is value driven by this transactional activity and that good progress has been made in capturing and confining these risks. They don't want to strangle this process."

Instead, professional investors say, derivatives and their components must be better regulated by the financial institutions handling the products and by their industry associations.

To assist them in this goal, the New York Federal Reserve Bank in January issued its draft "Wholesale Transaction Code of Conduct." The code, which is purely voluntary, establishes guidelines for over-the-counter financial market transactions. It requires adherents to maintain effective control and compliance procedures, risk and credit management policies and regular valuation reviews.

And the Financial Accounting Standards Board is working on an accounting proposal for derivatives trading. In November, the board tentatively decided to replace the current hedge accounting model.

## A Look at Those Perplexing OTC Derivatives

By Baile Netzer

AMONG the derivatives most beloved of bankers, most confusing to investors and most suspicious to government regulators are so-called "OTC" derivatives. These are generally privately negotiated, over-the-counter transactions such as interest-rate swaps, structured notes and forward currency contracts.

Experts' estimates of the size of the market range from \$12 trillion to \$25 trillion. To take one section of the market as an example, the base amount of outstanding swaps worldwide rose from more

than \$2 trillion in 1989 to almost \$9 trillion at the end of 1993, according to a survey conducted by the International Swaps and Derivatives Association last September.

Experts say that the flexibility the OTC market offers is behind such growth. "People don't have vanilla exposures," said Glen Satty, a managing director at Swiss Bank Corp. "The OTC market allows portfolio managers to specify the contract size, expiration date, and maturity they desire. Exchange-traded products are generally not that well-focused."

"If, for example, you sell an interest rate future, that's a one-way bet that rates will fall," said John Board, professor of fi-

nance at the London School of Economics. "You can tailor the fancier OTC products so that you make lots of money if rates fall dramatically and yet you're still hedged in case they start to rise."

For their part, investors who praise the flexibility of OTC contracts may find themselves daunted by their price. Because of the time it takes to structure these complicated transactions, OTC derivatives can generate hefty profits for a brokerage house. Asked why an investment bank would recommend an OTC derivative rather than a cheaper, more liquid exchange-traded product, one cynical industry insider replied simply "YTB — yield to broker."

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## THE MONEY REPORT

## Derivatives Industry Tries to Live Down an 'Undeserved' Reputation

By Baie Netzer

UNTIL recently, defenders of derivatives have championed their cause with a variation on the slogan often used by gun-control opponents: "Derivatives don't kill markets. Stupid portfolio managers who misuse derivatives kill markets."

Today, a growing number of academics say that argument is basically true. Despite headlines blaming derivatives for everything from the 1987 stock market crash to the recent bankruptcy of Orange County, California, a large number of studies have exonerated such products as futures and options from the charge that their existence increases the risk in stock, bond and commodity markets worldwide.

"The great bulk of the empirical evidence gives a verdict of not guilty," said Professor

Charles Goodhart of the London School of Economics. "The conclusion is that the existence of a futures market does not increase the volatility of the underlying spot market."

If investors begin using options or futures to place bets on the direction of a stock's price, won't that affect the volatility of the actual shares trading in cash markets? Of course, to regulators and investors outside the ivory towers of academia and high finance, the question doesn't sound unreasonable.

"The theoretical answer is no, the alarmist answer is yes and the academic answer is that volatility may actually be reduced," said Glen Saty, managing director of global education in Swiss Bank Corp.'s international finance division. "The market maker in a derivative helps to absorb some of the risk and therefore some of the volatility."

"Derivatives actually help the price-discovery mechanism in the market," explained Paul R. Knapp, president of the Catalyst Institute, a nonprofit research body in Chicago. "New developments often work their way into derivative prices faster than into underlying market prices because derivatives are easier, cheaper and faster to trade."

If anything, these advantages have caused some concern that investors will abandon underlying markets for derivatives trading, according to Mr. Knapp. But in a recent study for the Sydney Stock Exchange, the Catalyst Institute found this concern unfounded.

"When you introduce a derivative, it tends to attract interest in the aggregate so that you get more trading in both the derivative and in the underlying stock markets," said Mr. Knapp. "The entire market becomes more attractive because

it becomes easier to get into and out of."

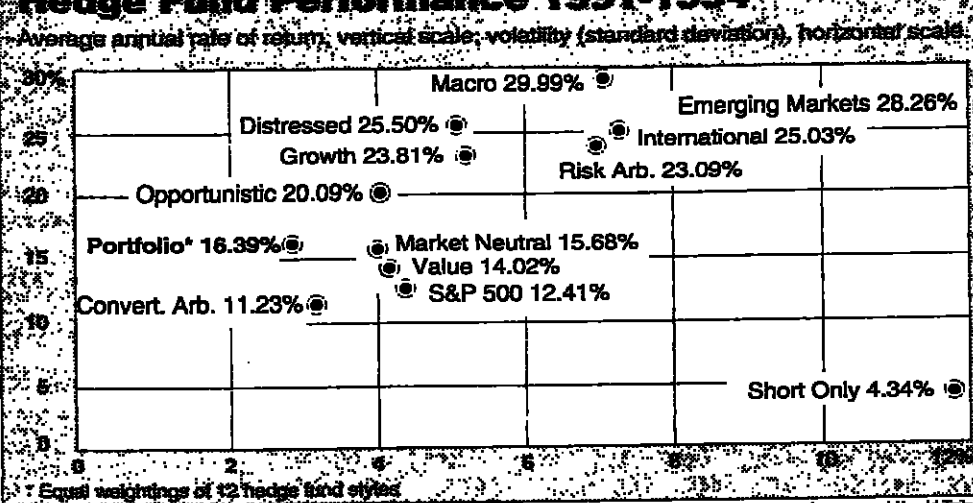
Regulators, however, may take more convincing. Many can still vividly recall the 1987 stock market crash, when so-called "portfolio insurance" programs using derivatives were blamed for increasing the magnitude of the plunge. The concern was that derivatives had increased the volatility of the financial system as a whole. The fear was of a "market meltdown."

Having surveyed almost 100 studies of derivatives and underlying market volatility, Professor Robert Mackay, director of the Center for Study of Futures and Options Markets at Virginia Tech, says there is no evidence that derivatives pose a "systemic risk."

"In fact, they have allowed greater diversification," he said. "Today, we may have a currency crisis and it could be that no dealer goes broke because they've all used derivatives to hedge."

Experts warn, however, that the studies supporting derivatives do not preclude a repeat of the 1987 scenario or of large

## Hedge Fund Performance 1991-1994



Equal weightings of 12 hedge fund styles

Source: E. Lee Hennessee Group

admit is a gap in their knowledge. Because information on the size and nature of the OTC market is not easily available, most of the studies done to date have focused only on exchange-traded derivatives.

"The problem with the OTC market is that nobody knows who on earth is doing what to whom," said Professor John Board of the London School of Economics. "Banks are issuing the majority of these and it's not clear what could happen if one major player has a problem."

"The issues in the OTC market have to do with information and disclosure rather than with their existence," Mr. Goodhart agreed. "If there are sizable positions built up and it's not clear what they are, there could be market disturbances."

Indeed, Mr. Goodhart ventured, the recent Mexican peso crisis may have resulted in part from currency speculation using OTC derivatives. Though there is not yet enough information to support this argument, "there have been studies that suggested the same type of trading contributed to the collapse of the lira in 1992," he said.

## Investors in Managed Funds Lick Their Wounds

By Christine Stopp

DERIVATIVES funds are not for the inexperienced, and not for the small investor. Which will come as something of a consolation, given their generally poor investment performances over the past year or so. The bottom line is that to lose money in these funds (only 42 out of 132 in the Microcap derivatives sector turned a profit, as did just 2 out of 48 guaranteed funds tracked by Managed Account Reports) you had to be rich and determined.

Entry levels are high: There is plenty of choice for a lump sum of \$100,000 but even this will not gain you entry to some funds, such as the new hedge fund range from E.D. & F. Man in partnership with Glenwood Corp. of Chicago. Glenwood will choose the fund advisers for a \$500,000 minimum.

Funds from Man subsidiaries AHL and Mint have a lower entry level at only \$30,000. Man's managing director, Colin Barrow, says that typical clients are at the high end of the retail sector, with \$30,000 to \$50,000 investments representing 5 or 10 percent of total capital. David Moore, director of funds at Credit Lyonnais Rouse, says that most of his clients are dollar millionaires.

Man is among the best-known derivatives fund groups, and pioneered the guaranteed fund. Most of its current range of fund are guaranteed — which is what small investors usually prefer, says Colin Barrow. The guaranteed fund has

its critics, who argue that the guarantee is only worth anything in its first couple of years, and that it then becomes a very expensive put option which is way out of the money.

Two-thirds of a guaranteed fund portfolio may go to providing the guarantee, though an investment in zero coupon bonds. The remainder is used to capture equity performance levels through the futures markets.

With or without guarantees, derivatives funds have very high charges compared to conventional funds. Charges fall into a number of different categories. There is an annual management charge paid to cover trading management, plus a performance or incentive fee which is usually around 20 percent of net new highs (gains over and above the fund's last peak price).

Brokerage and various other expenses of dealing will also be charged, and funds are often not forthcoming on the extent of these charges.

In addition, there may be any number of other charges. Redemption charges, which taper down the longer you stay in the fund, are becoming fashionable and some groups charge a front-end fee.

Part of the explanation for the charging structures in these funds lie in the number of parties involved in running them. The fund manager usually contracts out investment advice to a specialist fund group.

Trading funds may offer a bewildering variety of objectives and risk level. "Diversified" funds may include the full range of derivatives, from soft commodities to stock index futures. Many funds concentrate

## Derivative Investments

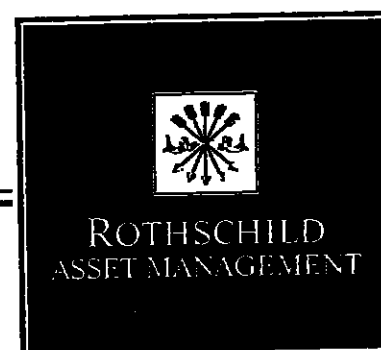
Fund Group	Annual mgt. fee %	Perform. fee %	Brokerage	Other
GNI	3	20	\$9.5 to \$15 RT	Total expenses capped at \$36,000
Credit Lyonnais Rouse	0-2	15-20	\$12 to \$15 on average	Redemption: 4.5% initial, descends to zero. Admin. fees: 2.5% (trading funds) 1.5% (guaranteed funds)
ED&F Man	4	20	\$10 to \$15 RT	
AHL	6	15		
Mint	2	15	Varies	Front end: 5% max. (negotiable)
Emillage: Seiz				
Euro. Hedge				

\* Calculated on net new highs.

\*\* RT-round turn

IHT

on one area, most popularly financials. There are also a number of offering currencies only or an index tracking objective. The point of using derivative funds is to obtain long-term returns comparable to those of the equity market, but not correlated with equity market movements. Depending on his choice of fund on the risk-reward spectrum, the investor is entitled to expect average annual returns of 18 percent to 25 percent over the long term, Mr. Barrow said.



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## BRIEF CASE

## Now Scudder Fund Wagers on Brazil

It could be argued that the biggest marketing virtue an emerging market fund might have nowadays is that of not being invested in Mexico (notwithstanding some strong rallies from shares on the Mexican Bolsa this week). The new vehicle from the American fund manager Scudder, Stevens & Clark certainly has this attraction: The latest addition to Scudder's Luxembourg-domiciled fund range invests in Brazil.

"Brazil, the largest economy in Latin America, is in the process of moving from very high rates of inflation and no growth to something approaching price stability, to be followed by a period of sustained growth," said Edmund Games, the fund's manager. "The Brazilian market is large, diverse and offers significant opportunity to long-term investors."

The fund is denominated in dollars and is not available to U.S. citizens.

For more information, call Scudder in London at (44 171) 265 0077.

## Irish Life Flotation Guarantees 140%

Irish Life has launched a new fund that guarantees a minimum return of 140 percent of "allocated investment" after five and a half years. The company adds that if the return on 95 percent of its customized index of global shares is greater, this is what investors will receive. The returns are achieved — and the company hopes to make its money — through "the expert buying" of options which, "in common with most index-based products, do not assume dividends are paid or re-invested."

The minimum investment in the pound-denominated fund is £2,500 (\$4,000), and there are effectively no charges for investments of more than £5,000 (i.e., 100 percent of investment

capital is "allocated" at this point). For more information call Irish Life at St Albans, England, at (44 727) 817 000.

## Glenwood Ties In With E.D. &amp; F. Man

Glenwood Investment Group, a U.S. manager with a presence in Switzerland, has linked up with derivatives specialists E.D. & F. Man to launch the Man-Glenwood Multi-Strategy Fund Ltd.

The fund will distribute money to "investment managers who, considered collectively, implement a broad range of fundamental, technical, systematic and discretionary strategies." Translated into something closer to English, this means that "through carefully balanced diversification, the fund aims to achieve substantial medium-term growth through controlled volatility."

For more information, call E.D. & F. Man in Switzerland at (41) 55 46 36 36, or Glenwood in Chicago at (312) 443-8455.

In next week's Money Report: A look at fraud and money laundering.

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## SPORTS

## Perry: A Player For All Surfaces, Seasons and Eras

Compiled by Our Staff From Dispatches

Fred Perry never really fit in at Wimbledon. Yet he will be remembered for what he achieved on Wimbledon's fabled Centre Court—three straight singles titles from 1934 to 1936. Perry, who died on Thursday at the age of 85, won five other Grand Slam titles during his career: the U.S. Open three times and the Australian and French Opens once each.

From 1921—the year Wimbledon required its champions to play in all rounds instead of just the final—until Bjorn Borg's five consecutive titles from 1976 to 1980, Perry was the only man to prevail on the grass courts of Wimbledon three consecutive years. And he did so without dropping a set. He held the world's top ranking from 1934 to 1936.

No British man has lifted the Wimbledon champion's trophy since Perry's last triumph.

"He was higher than a god—just big time," said Virginia Wade, the last British woman to win Wimbledon, in 1977. "What a champion. It really is the passing of an era."

Fittingly, it was the All England Club Wimbledon that announced Perry's death. He died in Melbourne, where he

'What a champion. It really is the passing of an era.'

Virginia Wade,  
1977 women's Wimbledon champion

was hospitalized after he fell in a hotel bathroom last week and cracked four ribs.

A short statement issued Friday by the Epworth Hospital in Melbourne on behalf of Perry's family said he had died of heart failure.

Frederick John Perry was born in Stockport, Cheshire, on May 18, 1909. He already played an invincible brand of table tennis when, at 18, he took up the full-scale version of the sport and quickly proved himself a natural competitor.

Adapted everywhere, Perry was the first man to conquer all four Grand Slam tournaments, although he did not accomplish the feat in a single calendar year. He came closest to a Grand Slam in 1934, when he collected titles at Wimbledon and the U.S. and Australian titles. His sole French Open crown came in 1935.

Perry also turned the British Davis Cup team into a powerhouse that won the international team competition from 1933 through 1936.

"Fred Perry was a superlative ambassador for our sport throughout the world," said the All England Club's chairman, John Curry. "He was a great character, big-hearted, and a true champion in every sense."

But Perry's early memories of the Wimbledon establishment were not fond.

"I was born on the wrong side of the tramlines for some at Wimbledon," he said in a recent newspaper interview. "I was too brash, too aggressive for their tastes. It was a class-ridden setup. I can still get angry when I think of the shabby way I was treated."

Perry angered Wimbledon officials when he turned professional and moved to the United States in 1937.

"I suddenly became persona non grata as far as tennis was concerned," he said in another interview. "It just wasn't done anywhere except the United States to be a pro. I wasn't allowed back to Wimbledon, where my membership was suspended, or to any other tournament affiliated with a national federation."

But the two sides eventually made peace, and Perry was a regular fixture as a BBC radio commentator at Wimbledon since 1949.

Perry, a favorite to spectators and confounding to his opponents whether the venue was amateur or professional, collected his final pro title in 1941. (AP, NYT)

## Straight-Sets Victory Gives France Lead Over U.S.



Cedric Pioline on his way to beating Todd Martin to help France take a 1-0 lead.

## German Stars Blunt Hopes for Croatia

Compiled by Our Staff From Dispatches

Cedric Pioline defeated Todd Martin in straight sets Friday to give France a 1-0 lead over the United States in the opening round of their Davis Cup play. Playing the opening singles match in St. Petersburg, Florida, Pioline, who is ranked 50th in the world, dispatched Martin, No. 13, 7-5, 6-2, 6-4.

The United States came into the matches an overwhelming favorite, even with the Austria-

## DAVIS CUP

lian Open finalists Andre Agassi and Pete Sampras taking time off. The U.S. team consists of Jim Courier and Martin and the doubles pair of Jared Palmer and Richey Reneberg.

"We don't have anything to lose," said Yannick Noah, captain of the French team, which is led by Guy Forget and Pioline.

Germany 2, Croatia 0: Michael Stich beat Goran Ivanisevic in four sets to blunt Croatia's hopes of posting an upset in the opening round.

In Karlsruhe, Germany, Stich posted a 7-6 (7-3), 4-6, 6-1, 6-4 victory over the hard-serving left-hander ranked fifth in the world. His victory damaged Croatia's chances from the start of upsetting three-time champion Germany in its World Group debut.

As expected, Boris Becker later overpowered Sasa Hirszon, 6-4, 6-1, 6-3, in his first Davis Cup match after a 2½-year absence.

Becker needed just one hour and 48 minutes to pound out a triumph against a player ranked 329th in the world. The hero of Germany's Davis Cup titles in 1988 and '89 ran his singles record to 34-2 in Davis Cup play. Croatia had hoped that Ivanisevic could beat both the German stars in singles, then team up with Hirszon on Saturday to win the doubles against Stich and Becker.

But that scenario was spoiled when Ivanisevic's powerful first serve deserted him in the last two sets against Stich. The 1991 Wimbledon champion then took advantage of his superior ground strokes for the victory.

In Durban, South Africa, a so-called all-weather court surface began to break up in the rain, forcing South Africa to abandon play against Australia. If the rain stopped and the court dried, the delayed singles were to be played Saturday.

Denmark 2, Sweden 0: Sweden, the Davis Cup holders, were heading for a shock exit from the first round of the 1995

campaign after losing both opening day matches Friday.

Jonas Bjorkman, a late replacement for Magnus Larsson, was beaten by Kenneth Carlsen, and mighty Stefan Edberg was toppled by rank outsider Frederik Fetterlein.

Carlsen triumphed 1-6, 6-3, 6-4, 6-4, after Larsson, suffering from an upset stomach, was replaced.

Buoyed up by his teammate's victory, and the roars of support from the crowd from the second set onwards, Fetterlein came back from a 6-1 first set thrashing to beat Edberg 1-6, 7-5, 6-4, 6-3.

Spain 1, Austria 1: In Vienna, Sergei Bruguera, the French Open champion, dropped only five games against Gilbert Schaller as he gave Spain a winning start.

But Thomas Muster, the Austrian No. 1, redressed the balance with an emphatic 6-4, 6-4, 6-2, triumph over Carlos Costa.

Bruguera was by far the better tactician in the opening match, leaving Schaller a frustrated spectator for much of the 92 minutes. The Spaniard won 6-1, 6-2, 6-2.

Muster, victorious on clay in his last 21st home matches, clearly had no trouble adapting to the hard surface, finishing off his opponent in 120 minutes.

Netherlands 1, Switzerland 1: In Geneva, Swiss hopes were set back when the country's top player, Marc Rosset, was sidelined for up to three months with a broken foot.

Rosset abandoned his match

against Jacco Eltingh in the second set, while leading 6-4, 2-3. He twisted over on his right foot as he ran for a forehand volley on his service game.

X-rays showed he had broken the fifth metatarsal bone in his right foot, and he was expected to be out for 10-12 weeks.

His right leg in a calf-high cast, Rosset returned to watch the end of his teammate Jakob Hlasek's victory over Richard Krajicek, 4-6, 6-1, 6-3, 6-4.

Rosset, ranked 15th, and Hlasek, ranked 71st, normally team up for the doubles. The reserve members of the squad are Lorenzo Mantia and Patrick Mohr, ranked only 238th and 302d respectively, and Hlasek has never teamed with either of them in doubles.

Russia 1, Belgium 0: In Antwerp, Belgium, the veteran Andrei Chesnokov gave Russia a good start with a victory over Belgium's top player, Filip Dewulf, 6-4, 6-4, 7-5.

In the other singles match Friday, Yevgeni Kafelnikov, the world's No. 10, was to face Kris Gossens, ranked 150 places below him in the world.

Chesnokov was brought back into the Russian Davis Cup squad, which lost the final to Sweden last year, for his expertise on clay. Chesnokov, 29, showed more patience in the backcourt and relied on errors of the nervous Dewulf to make the difference late in each set.

Czech Republic 1, Italy 1: In Naples, Rocco Pietrangeli, Italy's No. 2 player, beat Slava Dosedel in four sets to even their competition. (AP, Reuters)

## Davis Cup Results

FIRST ROUND, OPENING SINGLES WORLD GROUP

Italy vs. Czech Republic

Daniel Vacek, Czech Republic, def. Andrea Gaudenzi, Italy, 7-6 (7-3), 6-4, 7-6 (7-4).

Roman Furtak, Italy, def. Slava Dosedel, Czech Republic, 4-6, 7-6 (7-3), 6-4, 6-4.

Denmark vs. Sweden

Jonas Bjorkman, Sweden, def. Kenneth Carlsen, Denmark, 6-4, 6-4, 6-4.

Austria vs. Spain

Sergei Bruguera, Spain, def. Gilbert Schaller, Austria, 6-4, 6-2, 6-4, 6-4.

Belgium vs. Netherlands

Andre Chesnokov, Russia, def. Filip Dewulf, Belgium, 6-4, 6-4, 7-5.

Switzerland vs. Netherlands

Jacco Eltingh, Netherlands, def. Marc Rosset, Switzerland, 6-4, 6-4, 6-4, 6-4.

Germany vs. Croatia

Michael Stich, Germany, def. Goran Ivanisevic, Croatia, 7-6 (7-3), 4-6, 6-1, 6-4.

Boris Becker, Germany, def. Sasa Hirszon, Croatia, 6-4, 6-1, 6-3.

ASIA/OCEANIA ZONE

Group One

Philippines vs. Japan

Shunichi Matsuoka, Japan, def. Robert Ancochea, Philippines, 6-4, 6-4, 6-4, 6-4.

Japan vs. South Korea

Yoon Yung-il, South Korea, def. South Korea, 6-4, 7-6 (7-4), 6-4, 6-4.

South Korea vs. Taiwan

Shen Ding, Taiwan, def. Liang Yu-Hsiang, South Korea, 6-4, 6-4, 6-4, 6-4.

India vs. Hong Kong

Leander Paes, India, def. Thorsten Paetsch, Hong Kong, 6-4, 6-4, 6-4, 6-4.

India vs. Thailand

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

Group Two

Thailand vs. Malaysia

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

Malaysia vs. Thailand

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

Group Three

China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

Group Four

China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

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China vs. Pakistan

Leander Paes, India, def. Thorsten Paetsch, Thailand, 6-4, 6-4, 6-4, 6-4.

## Cup Jury Overrules Kiwis' Victory

The Associated Press

SAN DIEGO — Team New Zealand's victory over one Australia was reversed hours later when a jury ruled that the Kiwis illegally had a man up the mast during the America's Cup race.

The reversal Thursday night handed Team New Zealand its first defeat in nine races and pulled one Australia within one point of the first-place Kiwis.

Team New Zealand had defeated one Australia by 2 minutes, 6 seconds on Thursday afternoon. But one Australia protested that the New Zealanders had sent a man up the mast, apparently to search for wind.

The regatta has been plagued by mild conditions in recent days.

The jury ruled that a crew

member's torso cannot be outside the yacht's sheer line any longer than is needed to perform a task. When the boat heels, that person is then outside the sheer line, which is perpendicular to the surface of the sea, parallel to the hull.

Team New Zealand remains in first place, but was stripped of two points for the race Thursday. Those points were awarded to one Australia, which now trails 10-9 in the standings.

During the race on Thursday, one Australia skipper John Bertrand slipped overboard. At the end of the first spinnaker run, with the yacht five meters apart, Bertrand left the afterguard area at the stern to help other crew push out the boom to stop the yacht from gybing.

As Bertrand coursed along to the stern of the yacht, he was grabbed by navigator Ian Burns. Burns, the tactician Glenn Bourke and crewman Adam Beaslie pulled the skipper back on board.

The other New Zealand yacht, NZL-39, led all the way to rout Sydney 95 by 12-24 and move into third place with seven points.

In the day's other race, France 3 also led the whole race to beat Nippon by 2:24. It was the second victory for the French.

The defender race between Young America and Stars & Stripes was postponed due to lack of wind.

That race will be pushed back to Wednesday. Stars & Stripes was scheduled to face America3 on Friday.

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## Mansell's Grand Return With McLaren

By Ian Thomsen

International Herald Tribune

LONDON — Nigel Mansell was returned home to Formula One racing on Friday in a lavish hotel ballroom. He did not appear sentimental. He sat behind the head table in his red fire-retardant jumpsuit alongside the McLaren Mercedes chief, Ron Dennis, who had criticized Mansell in the past and then heaped five weeks over the driver's one-year contract.

The balconies and crystal chandeliers overlooking them might have been wasted on the likes of David Coulthard, a younger man in T-shirts and jeans apparently preferred by Dennis until late last year, when Coulthard resigned with Williams Renault. When that happened, everyone realized Mansell and McLaren would have to be married.

Mansell, an Englishman, is 41 and has 31 Grands Prix victories behind him. McLaren, the most successful Formula One team ever, did not win a race last year. Dennis hired out the opulent ballroom typical of Formula One and Mansell came striding into the room and the applause as if he belonged there.

Estimates of his salary range from \$5 million to \$5 million (\$7.9 million).

"I think whatever it is, it isn't enough," he said. The audience laughed, and Mansell smiled half-heartedly. "I think you can ask other drivers if someone's getting too much, and you'll never hear them say yes, because they're risking something very valuable, which is life."

He added that money hadn't been his stumbling block with Dennis, which is

and isn't true. Money may be the mask for other disagreements, but gratitude and sincerity in this sport are best expressed by money.

Mansell left Formula One after winning the world championship with Williams Renault three years ago. He won the Indy Car championship the following year, but in that year he also turned 40. Then last year he struggled occasionally in America, while in Formula One Alain Prost had retired and Ayrton Senna was killed. The new Formula One champion became Michael Schumacher, whose career hadn't been born when Mansell became famous along with Prost and Senna.

Just as Schumacher and his new rival, Damon Hill, were leading Formula One out from the era consumed by Senna's death, there seemed to be unspoken concerns about investing in Mansell's gone-by fame. He wanted to come home as the most celebrated and successful driver in Formula One, but there may not have been a home to receive him.

"If I had done badly in the last races last year, I wouldn't be here now," he said. But he won the final Grand Prix last year with Williams, in Australia. "I'm one of the most honest drivers out there. I'm very honest with myself."

"I can't stop the fire from burning," he added. "If it's burning, it's burning. To be presented with the new regulations I've always fought to keep my weight down, but there isn't a weight regulation against the driver anymore. All of the motivations are there for me like never before. If I'm on the wrong side of 40, then I'll carry the banner for the over-

40s. If you're fit enough, strong enough, if the motivation is there like never before, if you do taste it, sense it, want it, all those things — to walk away from that kind of situation would be wrong."

Dennis had criticized Mansell's personality and behavior last year, saying he could never work with someone he didn't understand. Their first meeting, once it became clear they were meant for each other, was described by Dennis as "catastrophic."

In the end, they had compromised their differences down to an argument over \$100,000. They agreed to donate the money to charity.

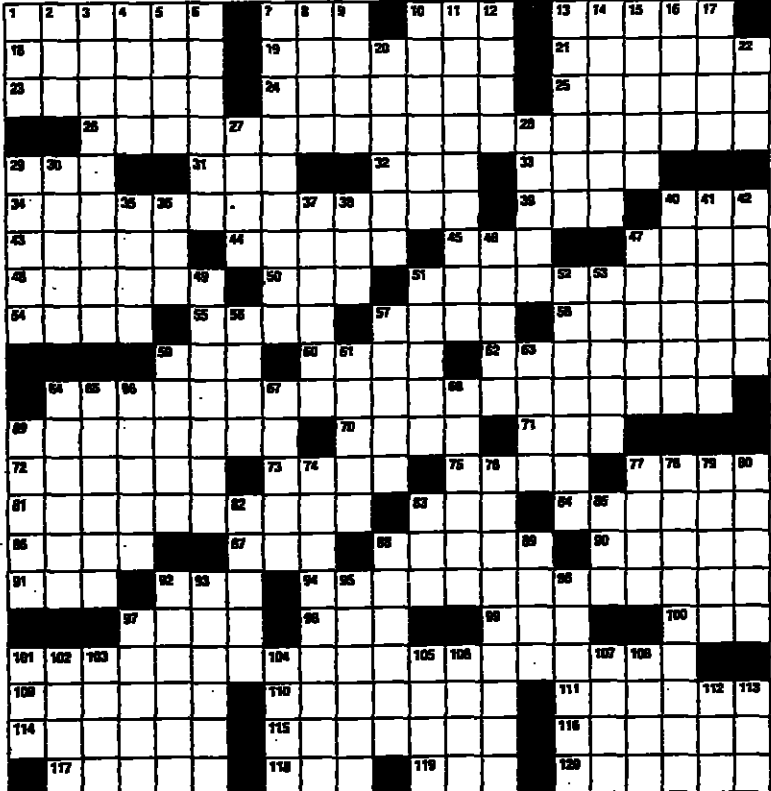
"In our first meeting, I got what I generally regard as Nigel's public image," Dennis said. "It is real, it's not a manufactured thing. It is real and important, especially to the media, but it isn't what I would call the real person."

The real person, he said, was the one who has become a black belt in karate and a scratch golfer, as well as the most successful active driver in the world. He will partner a 26-year-old Finn, Mika Hakkinen, who has never won a Grand Prix. He will drive with a new Mercedes engine in a year of extensive technical changes in the rules.

His competitors have won only two more Grands Prix between them than he has won by himself, but still the champion came home to a parade of doubts. Too old, more cranky than worth the bother, demanding more money than he could ever get — and it isn't enough. The look in his eyes said he was ready to risk his life again.

## PERUSE THE CLUES By Frank A. Longo

- ACROSS
- 1 Needed
  - 7 Neighbor of Ala.
  - 10 Where to 'ang one's at'
  - 13 Its capital is Dispur
  - 18 Tempt
  - 19 Create a new look
  - 21 More plaudits
  - 23 I-beam projection
  - 24 Lightweight cotton fabric
  - 25 Like an August day
  - 26 CHALUTUPID
  - 29 Island to a river
  - 31 Helpful PC key
  - 32 Light rowboat
  - 33 Magazine founded 11/23/36
  - 34 VISSADAGE
  - 39 60's Tarzan
  - 40 Song syllable
  - 43 Tree trunks



© New York Times Edited by Will Shortz

- DOWN
- 1 British pilots' grp.
  - 2 Unsatisfactorily
  - 3 Metazoan stages
  - 4 It can be a sacrifice
  - 5 So
  - 6 Intensity
  - 7 Gallic characteristic
  - 8 Riga native
  - 9 Oriental pram-pusher
  - 10 Warlike
  - 11 Carnival exhibit
  - 12 First sch.
  - 13 Pardon, once
  - 14 Pompous
  - 15 — a manager (dining room): Fr.
  - 16 Kind of cief
  - 17 First name in TV talk
  - 20 Bulova rivals
  - 22 Kind of flour
  - 27 Adherents
  - 28 Fragrant resin
  - 44 Cylindrical buildings
  - 45 Computer storage acronym
  - 47 Jessie's husband
  - 48 Kind of clock
  - 50 'Thinkful'
  - 51 JASOWB
  - 54 Mouth off
  - 55 Relief
  - 57 Multicolored
  - 58 Lively intelligence
  - 59 Second-century date
  - 60 Saintry ring
  - 62 Printings
  - 64 SNILTR
  - 68 Raconteur
  - 70 Lhasa — (terrier)
  - 71 Bearded revolutionary
  - 72 "The Graduate" role
  - 73 Grub
  - 75 Artifice
  - 77 Parade passageway
  - 81 GAINBEAK
  - 83 Barbarian
  - 84 The Joker, on TV
  - 86 Old French
  - 87 Like: Suffice
  - 88 Donnybrook



## DAVE BARRY

## Barbie, the Flame of My Life

Miami — If you want to know what real pressure is, just try using a Barbie doll to set underwear on fire on national television. I did this on "The Late Show with David Letterman." Technically, I was on this show to promote a book, but unless you're an extremely deep thinker such as Madonna, the Letterman people don't like you to just sit there and talk. They want you to have what is known in the TV business as a Strong Visual Element, to keep things moving along. To give you an idea of what I mean, here's how the Letterman show would rate two hypothetical guest spots:

**WEAK GUEST SPOT:** Nobel Prize-winning research scientist explains revolutionary new and easy way to prevent cancer.

**STRONG GUEST SPOT:** Nobel Prize-winning research scientist plays badminton against a cow.

So when a Letterman show producer named Dan Kellison called me up to find out if I had any visual elements, I told him about my Rollerblade Barbie experiment. Rollerblade Barbie is a type of Barbie doll no longer available in stores, for reasons that will soon become apparent — that comes with little booties equipped with cigarette-lighter-type flint wheels; when you roll Rollerblade Barbie along a flat surface, her booties shoot out sparks. A while back, after reading a newspaper account of an accident involving a Rollerblade Barbie and some kids who were playing "beauty shop," I conducted a scientific experiment in my driveway. This experiment proved that if you spray hair spray on a set of underwear, then roll Barbie across it, the underwear will burst into flames.

Dan instantly realized that this experiment would have great visual potential as a way to educate the Letterman audience. But he wanted to make sure it would work, so on the day of my scheduled TV appearance, I went to the theater several hours early for a rehearsal.

Backstage, besides Dan, were maybe a dozen Letterman show personnel, as well as a representative of the New York City Fire Department. The audience was a lot less casual than it had been in my driveway. Everybody was concerned about the fire danger; everybody was also VERY concerned about how Letterman would react. One guy kept saying things like, "Is

this O.K. with Dave? Is Dave going to be comfortable with this? How close is Dave gonna be? Did we run this by Dave? Maybe we should run this by Dave again."

Many eyes were watching me closely as I spread a pair of men's cotton briefs on a table, then sprayed them with hair spray. Then I picked up a Rollerblade Barbie, put her on the briefs and scooted her forward, sparks flying, and suddenly...

And suddenly nothing happened. So I sprayed more hair spray and tried again. Nothing. I tried a different kind of hair spray. Nothing. I tried a different set of briefs. Nothing. I tried a Rollerblade Ken (which we had on hand as a backup). Nothing.

Finally, just as we were about to give up, we got it to work (the secret, discovered by Dan, was to use an ENORMOUS amount of hair spray). As the blue flames flickered on the underwear, Dan and I gave each other triumphant high-fives. I was elated, until suddenly the thought hit me: What if it didn't work on the show?

So I was a nervous wreck when, two hours later, I found myself in front of TV cameras and a live studio audience, placing underwear on David Letterman's desk, spraying it with hair spray and picking up Rollerblade Barbie. With Letterman watching me closely, I positioned Barbie on the briefs, and rolled her forward, and...

And once again nothing happened.

Fortunately, this turned out to be just a little Higher Power prank, because when I quickly rolled Barbie a second time, the briefs burst into flames. I don't remember much after that. Letterman picked up a fire extinguisher and blasted the briefs, then the camera person, then the audience, which was thrilled. So it turned out to be a highly educational guest spot after all, and I'm sure that you, the viewing public, learned a lot. You don't have to thank me. I'm just trying to avoid getting a real job.

Knight-Ridder Newspapers

## Art Talks Back to Horror on a Sarajevo Stage

By Roger Cohen  
New York Times Service

SARAJEVO, Bosnia-Herzegovina — This city is full of struggle: for survival, of course, but also for the salvation of dignity in the face of horror. Dignity, under siege, becomes synonymous with civilization. Its absence constitutes the abyss.

Nowhere is this struggle more violent than in the person of Nerin Tulic, one of Sarajevo's best-known actors. Tulic has no legs. They were blown off on June 10, 1992. A Serbian shell severed them as he walked near his home in the center of the city. He was hospitalized, refused to eat and says he spent several weeks intending to die.

Now, however, Tulic is back. Perched in a wheelchair. On a stage where the lights obey the haphazard laws of Sarajevo's electricity supply.

Spitting venom and decision in a production of Alfred Jarry's "Ubu in Chains" that opens on Saturday and portrays the grotesque, the abject and the heinous in the midst of a city that has no need of a stage to display them.

To see Tulic, a Muslim war victim, spew the relentless illogic of Ubu's world in a city where civilized values and even language itself have been turned on their head through 1,000 days of siege and diplomatic gobbledygook, is to understand the barbarity of the destruction of Sarajevo and the intense relationship of art to war.

Tulic portrays a corporal in what Jarry called "army of the free men in the country of the free men."

"I wanted to play this role, I wanted to act in chains," the 43-year-old actor said. "I am nobody, just one of the 15,000 cripples in Bosnia. If I had my legs, I would be on the front line, killing, not here in the theater. But at least I have the power to act and so give something."



Nerin Tulic in a rehearsal for "Ubu in Chains."

Theater and life merge with great intensity in Sarajevo. Tulic, a denizen of the city's bars, is well known around town. The production itself, in a city so dismembered, amounts to an act of defiance and so of civic — almost Athenian — pride.

"Greek theater was the high point for me because it was part of the life of the city," said Massimo Schuster, the French director of the play. "But this hard core of theater has been lost in our rich societies. It is recovered here because the life of

the spirit is intrinsic to the city's defense. In such a setting you cannot lie."

Like Susan Sontag, who directed "Waiting for Godot" in Sarajevo in 1993, Schuster is dismayed at the paucity of the international artistic response to Sarajevo's plight. "In our complacency, we have failed this city," he said.

Ubu, a monster and everyman, a puppet and a tyrant, a fool and a hero, is an instantly recognizable figure in a city that has come to know the grotesqueness of the world with great intimacy.

Created by Jarry, a French playwright, in 1896, Ubu — hugely fat, obnoxious, destructive, dictatorial — comes home in Sarajevo a century later. The capital of a country, Bosnia, that exists on paper but has been dismembered in reality greets a character, Ubu, whom Jarry described as the former king of Poland, "that is to say, nowhere." A century ago, Poland's existence was as theoretical as Bosnia's.

Tulic's character, whom Schuster calls "a horrible little jerk," is a pathetic figure, whipping his men for failing to obey him, conducting strenuous exercises in discipline, arresting Ubu only to envy his servitude, and singing the praises of liberty only to conclude:

"We are free to do what we like, even obey, go where we like, even to prison! Liberty is slavery!"

Convinced that fascism — in the form of a Serbian drive for an ethnically pure state — is knocking once again on Europe's door and that the Western world has acquiesced in this threat, Tulic has chosen to wear a cap from the U.S. Military Academy at West Point for his role.

A can of American vegetable oil — part of the U.S. food aid to a city whose citizens say the world likes to fatten them for the slaughter — is tied to the wheelchair.

The crippled corporal is pushed around the stage by a much flagellated "free man" wearing a light blue chamber pot on his head as helmet. The widely derided United Nations troops in Sarajevo are generally known as "the blue helmets."

In general, however, the play's relevance to the Bosnian war and the world's response to it is not labored. Schuster, who is based in Marseille and is best known as a puppeteer, feels strongly that the Ubu production should also amount "to a big laugh in the face of this mess."

"I want the public to laugh," he said.

If the play is clearly a catharsis for Tulic, his anger remains. He drinks heavily, torn between the dignity of his calling and the abyss of his suffering. He shuns the word "Serbs," preferring "beasts."

His wife is half-Serb and he says that after his legs had gone he wondered whether he could still take her in his arms. He rails, imploring people to "look at me, not my legs." He notes acutely that he has to be carried into bars these days, whereas he used to be carried out.

One day recently he returned from a rehearsal and a subsequent session in the bars brandishing a bottle of brandy. "I did not ask for this war, but this war is now mine," he said. "Of course, like the United Nations said, I put the shell under my own legs and exploded it. Boom. Of course, that's what I did."

The Bosnian Serbs have repeatedly suggested that the Muslims of Sarajevo were bombing themselves in order to lure NATO into the war. At times — as after a mortar attack on the Sarajevo market last year in which more than 60 people were killed — the United Nations has declined to contradict the Serbs.

"This is an experiment by the world to see how much people can suffer," Tulic continued, surrounded by his three young daughters. "That is what this city is. But my legs are not important anymore. I have three legs — my girls. And I have the stage."

His wife, Maja Hrisafovic, said that for two months after the loss of his legs, Tulic seemed determined to die. Then, in August 1992, she gave birth to their second daughter on the floor below her husband in the city hospital. "That little girl gave him life," she said.

Tulic concurred: "As my dad told me, children need their father, even if he just sits in the corner."

The production of "Ubu in Chains" at the city's youth theater, represents his return from the corner. It is a triumphant comeback, but also a bitter one. Pushed around the stage, a small bearded figure, he yells: "So, there are some people who are disturbed by being free."

Tulic's body, Tulic's role, Tulic's city and Tulic's country all beg profound questions as to the nature of freedom and the so-called free world. Ubu's own vision of the state of pure liberty is stark: "We will not have destroyed everything unless we destroy even the ruins."

## WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

## Europe

	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	21/10	11/22	21/10	19/23	9	14	21/10	11/22	21/10
Amsterdam	8/16	4/20	8/16	5/11	10	15	8/16	4/20	8/16
Ankara	4/29	4/19	4/29	3/22	10/22	10	4/29	4/19	4/29
Athens	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Berlin	17/22	8/16	17/22	11/22	9	14	17/22	8/16	17/22
Bombay	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Buenos Aires	8/16	4/20	8/16	5/11	10	15	8/16	4/20	8/16
Calcutta	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Chennai	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Cairo	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Canton	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Cebu	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Colon	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Dhaka	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Dubai	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Hankow	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Hong Kong	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Kobe	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
London	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Los Angeles	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Manila	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Moscow	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Mumbai	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
New Delhi	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Osaka	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Paris	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Perth	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Port of Spain	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Rangoon	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
San Francisco	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Seoul	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Singapore	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Sydney	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Taipei	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Tokyo	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Yokohama	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20



**North America**  
Heavy snow will reach from New York State into eastern Canada as a powerful storm moves along the coast. Strong winds and extreme cold will follow the storm for a couple of days with drifting snow. The chill will plunge deep into the Southwest. The West will remain dry.

	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Abu Dhabi	28/19	21/10	28/19	19/23	9	14	28/19	21/10	28/19
Bahia	19/21	12/20	19/21	10/21	10	15	19/21	12/20	19/21
Bombay	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Buenos Aires	8/16	4/20	8/16	5/11	10	15	8/16	4/20	8/16
Calcutta	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Chennai	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Canton	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Cebu	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Colon	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Dhaka	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Dubai	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Hankow	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Hong Kong	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Kobe	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
London	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Los Angeles	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Manila	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Moscow	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Mumbai	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
New Delhi	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Osaka	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Paris	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Perth	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Port of Spain	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Rangoon	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
San Francisco	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Seoul	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Singapore	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Sydney	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Taipei	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Tokyo	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20
Yokohama	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/20

Legend: s=sunny, pc=partly cloudy, c=cloudy, sh=showers, m=moderate rain, r=rain, dr=snow flurries, w=snow, h=ice, v=weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1995

## Asia

	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Bangkok	28/19	21/10	28/19	19/23	9	14	28/19	21/10	28/19
Bombay	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Buenos Aires	8/16	4/20	8/16	5/11	10	15	8/16	4/20	8/16
Calcutta	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Chennai	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24	24/24
Canton	12/20	3/17	12/20	3/22	10/22	10	12/20	3/17	12/2